

Promisia
HEALTH AND CARE



Interim Report

**FOR THE SIX MONTHS
ENDED 30 SEPTEMBER 2023**







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Half Year Snapshot

For the six months ending 30 September 2023

Promisia is a New Zealand-based aged care and retirement living provider, with a focus on delivering quality personalised care. Our aim is to be the aged care provider of choice in our communities.

Our strategy is founded on identified pathways which we believe will deliver long term growth.



Stronger Business

Invest in our business and our people, creating a robust scalable platform for growth, with strong leadership and governance



Maximise Occupancy

Grow revenue through offering quality care to maximise occupancy at existing and future facilities; and repurposing beds as needed to meet market demand



Diverse Revenue Streams

Increase the focus on independent living options, broaden the range of services at each facility and increase the number of higher acuity beds



Network Expansion

Grow our network through strategically located value-accretive acquisitions, brownfield and greenfield developments

Strategic Progress

- Welcomed new Board leadership with appointment of industry expert, Rhonda Sherriff, as Chair
- Restructured and strengthened the leadership team with appointment of Karen Lake as Group GM, along with new GM of Finance and new Clinical and Quality Manager
- Review of strategy and reset of objectives to drive commercial growth
- Continuing improvement in occupancy across the Group
- Continue to explore expansion and growth opportunities

Financial Snapshot

- Revenue \$12.9m ▲ 11%
- EBITDAF¹ \$1.6m ▼ 11%
- Net Loss After Tax \$(152)k, down from a profit of \$382k in prior year, reflecting one-off costs associated with the leadership and Board transition
- Total assets \$73.6m ▲ 12%
- Borrowings \$30.4m ▲ 2%

¹ EBITDAF is operating earnings before interest, tax, depreciation, amortisation and fair value adjustments and is a non-GAAP number.

Chair's Report

Dear Shareholder

I am pleased to report to you for the first time since commencing as Chair of Promisia in August this year.

Throughout the first half of the 2024 financial year (1H 2024), we continued to focus on our commercial objectives, delivering increasing occupancy, strong new villa sales and resales, and a relentless focus on high quality, personalised care.

Over the past six months, we have refreshed and strengthened our Board and transitioned to a new, restructured leadership team. We were pleased to welcome Jill Hatchwell to the board as an independent director in August 2023. Jill has extensive financial and corporate governance experience in both public and private companies and has been appointed chair of Promisia's Audit and Risk Management Committee.

We now have high quality, very experienced people governing and managing your business. This has provided an opportunity to revisit our strategy and commercial objectives. We have reconfirmed our four strategic pathways and management has set out a strong plan to achieve our goals, which has been endorsed by the Board. While the first half of the year was a time of transition, we now have a strong platform in place and expect to see benefits start to flow through from the second half of the financial year.

Financial Performance

1H 2024 revenue increased to \$12.9m as a result of rising occupancy and increasing deferred management fees from the sale of independent villas.

Expenses increased year on year, however a large portion of the additional administration expenses are considered to be one-off in nature as they relate to the recruitment of the leadership team and additional consultant costs during the transition period.

Inflation, higher interest rates and increased wage costs were also factors in the uplift in expenses and had a downward impact on cashflow. Cash at period end was \$364k, down from \$2.1m at 31 March 2023.

Borrowings reduced slightly to \$30.4m with principal repayments from cashflows. Promisia has commenced a review of its banking facilities, with the objectives being to consolidate borrowings, reduce funding costs and adjust covenants to be appropriate for Promisia in the prevailing market conditions.

The company reported a net loss after tax of \$(152)k for 1H 2024, however, is expecting a return to profit for the full year.

Stronger Business

One of the highlights of the past six months has been the development of a strengthened leadership team. We were particularly pleased to welcome Karen Lake as Promisia's new Group General Manager in August 2023. Karen has extensive experience in the aged care, retirement and healthcare sectors, having worked for NZX listed providers, Oceania and Ryman Healthcare for a number of years. She brings a passion for excellence, innovative thinking and extensive industry knowledge.

Karen has continued to build the strength of the leadership team, with the appointment of Francisco Rodriguez Ferrere as the new GM Finance and Blesster Saga as the new Clinical and Quality Manager. Blesster comes into a newly created role that separates clinical and operational management of our business, with long standing team member, Virginia Dyall-Kalidas, taking on the role of Group Operations Manager. All these individuals have a track record of excellence in their fields, are passionate about the aged care industry and will play an important role as we grow the business and shareholder value.

Promisia is now well positioned with a strong Board and management team to take the company forward and achieve our goals. We have a stable workforce and have seen labour pressures ease, with positive recruitment and retention of our people. This in turn has a positive impact on resident satisfaction.

Maximise Occupancy

Maximising occupancy at all our facilities continues to be a priority, with increased sales resource and management focus dedicated to our efforts. We have continuing local demand for our facilities in Fielding and Dannevirke, and Aldwins House in Christchurch is steadily filling up. There has been strong demand for the new villas at Ranfurly Manor village, with 30 of the 32 new villas either under contract, sold or occupied.

Diverse Revenue Streams

In addition to our standard care and accommodation offers, we offer premium care suites, which carry an additional supplement in return for greater space, amenities and aesthetics. Following the success of the Ranfurly Manor village development, we will also continue to consider opportunities to develop more independent living units (villas and apartments), with occupational rights agreements and management fees paid for by the resident.

One of our key strengths is the ability to respond and reconfigure our facilities to meet the needs of our communities. Our skills, focus on care excellence and dedicated staff allow us to provide for a range of care needs, from low level to high needs and other specialist care services. This helps to ensure occupancy levels are maximised across our facilities.

Network Expansion

Following several land acquisitions in FY23, we continue to explore opportunities to either strategically add to our land bank or acquire facilities with development potential or that offer strong returns.

Focus on Care

Providing high quality care that is sensitive and appropriate to people's individual requirements is at the core of our business. The appointment of a Clinical and Quality Manager further cements our commitment to care, with a refresh of clinical processes and procedures, reporting and investment in continuous training to enhance our care delivery. We are pleased to have received payment and an increase in funding from Manatū Hauora Ministry of Health which enables us to offer a competitive rate to retain our registered nurse workforce .

Outlook

Good progress is being made and Promisia is well positioned to take advantage of market opportunities. The care sector and funding thereof continue to be challenging; however, we are committed to ensuring our communities continue to have access to high quality care.

The investments we are making into our business will deliver long term gains and benefits. Our business is in good shape, with a strong and experienced Board and management team, and we are looking forward to delivering another year of increased earnings and business growth in FY24.

Ngā mihi



Rhonda Sherriff
Chair



Unaudited Consolidated Interim
Financial Statements

FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2023

	30 September 2023	30 September 2022
Note	UNAUDITED \$ '000	UNAUDITED \$ '000
Revenue and other income		
Revenue	<u>12,926</u>	<u>11,673</u>
	<u>12,926</u>	<u>11,673</u>
Less: expenses		
Administration expenses	(2,024)	(1,315)
Operational expenses	(9,306)	(8,555)
Depreciation	(386)	(409)
Finance costs	<u>(1,339)</u>	<u>(1,047)</u>
	<u>(13,055)</u>	<u>(11,326)</u>
Profit / (loss) before income tax expense	(129)	347
Income tax (expense) / credit	<u>(23)</u>	<u>35</u>
Net profit / (loss) from continuing operations	<u>(152)</u>	<u>382</u>
Total other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income gain / (loss)	<u>(152)</u>	<u>382</u>
Earnings per share (cents per share)		
Basic & diluted earnings per share from continuing operations	7	(0.0007)
		0.0018

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

		30 September 2023	30 September 2022	31 March 2023
	Note	UNAUDITED \$ '000	UNAUDITED \$ '000	AUDITED \$ '000
Assets				
Cash and cash equivalents		364	2,216	2,059
Trade receivables and other assets		2,279	2,205	1,827
Related party advances	8	145	538	145
Current tax assets		7	-	6
Property, plant and equipment	2	17,701	17,251	17,910
Investment properties	3	52,646	43,275	49,320
Deferred tax assets		<u>472</u>	<u>394</u>	<u>494</u>
Total assets		<u>73,614</u>	<u>65,879</u>	<u>71,761</u>
Liabilities				
Trade and other payables		3,453	3,235	3,695
Revenue received in advance		1,649	1,113	1,472
Current tax liabilities		-	169	-
Related party payables	8	175	-	175
Borrowings	4	30,431	29,847	30,872
Occupancy rights agreements		<u>17,970</u>	<u>12,554</u>	<u>15,459</u>
Total liabilities		<u>53,678</u>	<u>46,918</u>	<u>51,673</u>
Net assets		<u>19,936</u>	<u>18,961</u>	<u>20,088</u>
Equity				
Share capital	5	77,426	77,276	77,426
Reserves	6	(50)	(717)	(50)
Accumulated losses		<u>(57,440)</u>	<u>(57,598)</u>	<u>(57,288)</u>
Total equity		<u>19,936</u>	<u>18,961</u>	<u>20,088</u>
Net tangible asset backing per share (cents)		0.091	0.087	0.092

Signed on behalf of the board of directors, dated 28 November 2023

Director: 
Rhonda Sherriff

Director: 
Thomas Brankin

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023

	Note	Contributed equity \$ '000	Reserves \$ '000	Accumulated Losses \$ '000	Total equity \$ '000
Consolidated					
Balance as at 1 April 2022		77,276	(717)	(57,980)	18,579
Profit for the period		-	-	382	382
Other comprehensive income for the 6 months		-	-	-	-
Total comprehensive income for the period		-	-	382	382
Balance as at 30 September 2022 (UNAUDITED)		<u>77,276</u>	<u>(717)</u>	<u>(57,598)</u>	<u>18,961</u>
Balance as at 1 April 2023		77,426	(50)	(57,288)	20,088
Loss for the period		-	-	(152)	(152)
Other comprehensive income for the 6 months		-	-	-	-
Total comprehensive income for the period		-	-	(152)	(152)
Balance as at 30 September 2023 (UNAUDITED)		<u>77,426</u>	<u>(50)</u>	<u>(57,440)</u>	<u>19,936</u>

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2023

	30 September 2023 UNAUDITED \$ '000	30 September 2022 UNAUDITED \$ '000
Cash flow from operating activities		
Receipts from residents for care fees and services	12,512	11,232
Receipts of residents' loans from new sales	4,033	2,215
Payments to suppliers and employees	(12,247)	(9,845)
Repayments of residents' loans	(883)	(595)
Interest paid	(1,339)	(1,047)
Income tax paid	<u>(2)</u>	<u>(28)</u>
Net cash provided by operating activities	<u>2,074</u>	<u>1,932</u>
Cash flow from investing activities		
Payment for property, plant and equipment	(177)	(13,560)
Payment for investment property	<u>(3,326)</u>	<u>(1,260)</u>
Net cash used in investing activities	<u>(3,503)</u>	<u>(14,820)</u>
Cash flow from financing activities		
Repayment of related party advance	-	20
Net proceeds from / (repayment of) borrowings	<u>(266)</u>	<u>12,673</u>
Net cash provided by / (used in) financing activities	<u>(266)</u>	<u>12,693</u>
Reconciliation of cash		
Cash at beginning of the financial period	2,059	2,411
Net decrease in cash held	<u>(1,695)</u>	<u>(195)</u>
Cash at end of financial period	<u><u>364</u></u>	<u><u>2,216</u></u>

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENT

For the six months ended 30 September 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements presented are those of Promisia Healthcare Limited (the Company), and its subsidiaries (the Group). Promisia Healthcare Limited is a profit-oriented entity incorporated in New Zealand. Promisia Healthcare Limited's principal activities are the ownership and operation of retirement villages, rest homes, and hospitals for the elderly within New Zealand.

Promisia Healthcare Limited is a Financial Markets Conduct Act reporting entity under the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013.

These condensed consolidated financial statements have been approved for issue by the Board of Directors on 28 November 2023.

(a) Basis of preparation of the condensed financial report

The condensed consolidated financial statements comprise the following: condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows, and condensed accounting policies and notes to the condensed consolidated financial statements.

These condensed consolidated financial statements have been prepared in accordance with NZ IAS 34 Interim Financial Reporting, and should be read in conjunction with the Groups' last consolidated financial statements as at and for the year ended 31 March 2023 ('last annual financial statements'). These do not include all of the information required for a complete set of NZ IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the Groups' financial position and performance since the last consolidated financial statements.

The Group's accounting policies have been applied consistently to all periods presented in these condensed financial statements.

The information is presented in New Zealand dollars, the Group's functional and presentation currency, and rounded to the nearest thousand dollars unless stated otherwise.

There is no seasonality or cyclicality of the operations.

(b) Going concern

The condensed 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 Directors are comfortable that based on the historic performance, detailed cash flow projections, and the support provided by Directors, the Group will be able to meet their cash flow requirements as they fall due. The Group has reported a net loss before tax of \$0.129 million.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**(b) Going concern (Continued)**

On 16 November 2023, the Group advised that it had breached the EBITDA / Interest banking covenant for the quarter ended 30 September 2023 for loans held with Bank of New Zealand. The Group is having constructive discussions with Bank of New Zealand regarding this breach and is preparing more information for their consideration. The Group will then seek the agreement of Bank of New Zealand to either a waiver or variation of the covenant. It is expected discussions to be concluded by the end of this calendar year. As at the date of the signing of these financial statements, no demand for repayment has been made.

It is the continuing opinion of the board of directors that there are reasonable grounds to believe that its operational and financial plans in place are achievable, and accordingly the Group is able to continue as a going concern and meet its debts as and when they fall due. Accordingly, use of the going concern assumption remains appropriate in these circumstances.

(c) Segment reporting

The Group operates a number of rest homes and retirement villages. These facilities all provide a similar product to a similar customer in the same regulatory environment.

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.

Therefore, it is appropriate to report solely on the Group performance.

	30 September 2023	30 September 2022	31 March 2023
	UNAUDITED	UNAUDITED	AUDITED
	\$ '000	\$ '000	\$ '000

NOTE 2: PROPERTY, PLANT AND EQUIPMENT**Land and buildings**

At fair value	17,262	16,437	17,261
Accumulated depreciation	<u>(927)</u>	<u>(401)</u>	<u>(714)</u>
	<u>16,335</u>	<u>16,036</u>	<u>16,547</u>

Plant and equipment

Other at cost	1,901	1,461	1,724
Accumulated depreciation	<u>(535)</u>	<u>(246)</u>	<u>(361)</u>
	<u>1,366</u>	<u>1,215</u>	<u>1,363</u>
Total property, plant and equipment	<u>17,701</u>	<u>17,251</u>	<u>17,910</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

	30 September 2023	30 September 2022	31 March 2023
Note	UNAUDITED \$ '000	UNAUDITED \$ '000	AUDITED \$ '000
NOTE 2: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)			
(a) Reconciliations			
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial period			
<i>Land and buildings at fair value</i>			
Opening carrying amount	16,547	3,161	3,161
Additions	5	13,187	13,249
Net amount of revaluation increments less decrements	-	-	762
Depreciation expense	<u>(217)</u>	<u>(312)</u>	<u>(625)</u>
Closing carrying amount	<u>16,335</u>	<u>16,036</u>	<u>16,547</u>
<i>Other at cost</i>			
Opening carrying amount	1,363	939	939
Additions	172	373	637
Depreciation expense	<u>(169)</u>	<u>(97)</u>	<u>(213)</u>
Closing carrying amount	<u>1,366</u>	<u>1,215</u>	<u>1,363</u>

NOTE 3: INVESTMENT PROPERTIES

During the period, investment properties have increased from \$49.320m at 31 March 2023 to \$52.646m at 30 September 2023 being an increase of \$3.326m (2022: Increased from \$42.015m at 31 March 2022 to \$43.275m at 30 September 2022 being an increase of \$1.060m). This increase relates to further development of the Ranfurly Manor Village located next to the Ranfurly Manor Residential Care Centre in Fielding.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

	30 September 2023	30 September 2022	31 March 2023
Note	UNAUDITED \$ '000	UNAUDITED \$ '000	AUDITED \$ '000
NOTE 4: BORROWINGS			
Current portion	19,931	477	11,727
Term portion	10,500	29,370	19,145
	<u>30,431</u>	<u>29,847</u>	<u>30,872</u>
Comprises of:			
- Advantage Finance	540	-	1,040
- Hunter Funding Limited - insurance funding	515	120	104
- Monument Finance Limited - insurance funding	-	26	-
- BNZ - Aldwins House Limited	7,500	7,500	7,500
- BNZ - Eileen Mary Age Care Property Limited	2,900	2,900	2,900
- BNZ - Ranfurly Manor No: 1 Limited	5,430	5,430	5,430
- BNZ - Ranfurly Manor No: 1 Limited	1,501	2,201	1,853
- BNZ - Nelson Street Resthome Limited	1,170	1,170	1,170
- Senior Trust- Ranfurly Manor No: 1 Limited	6,500	6,500	6,500
- Teltower Limited	4,000	4,000	4,000
- First Mortgage Trust	375	-	375
	<u>30,431</u>	<u>29,847</u>	<u>30,872</u>

BNZ Loans

On 16 November 2023, the Group advised that it had breached the EBITDA / Interest banking covenant for the quarter ended 30 September 2023 for the BNZ loans. As the breach entitles BNZ to demand repayment, the loans have been recorded as current. As at the date of the signing of these financial statements, repayment has not been demanded and the Group is in discussions with BNZ to seek variation or waiver of the covenant. The standard terms of the BNZ loan are as follows:

The term loans are secured by first mortgage security over the aged care facilities. The loans have interest rates of 2.29% to 9.79% at 30 September 2023 (30 September 2022: 5.15% to 7.57% and 31 March 2023: 2.29% to 9.13% p.a). BNZ loans consist of:

- \$1.5m (30 September 2022: \$2.2m and 31 March 2023: \$1.9m) with a maturity date of 30 October 2025 (30 September 2022: 30 October 2025 and 31 March 2023: 30 October 2025). The full amount of this loan is current (30 September 2022: \$700,470 and 31 March 2023: \$708,000)
- \$7.5m (23 September 2022: \$7.5m and 31 March 2023: \$7.5m) with a maturity date of 31 March 2025 (30 September 2022: 31 March 2025 and 31 March 2023: 31 March 2025)
- \$9.5m (30 September 2022: \$9.5m 31 March 2023: \$9.5m) with a maturity date of 20 October 2023 (30 September 2022: 20 October 2023 and 31 March 2023: 20 October 2023)

There is an all obligations unlimited interlocking company guarantee between the following entities in the Group; Eileen Mary Age Care Limited, Promisia Healthcare Limited, Aged Care Holdings Limited, Ranfurly Manor Limited, Nelson Street Resthome Limited and Aldwins House Limited.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

NOTE 4: BORROWINGS (CONTINUED)*Advantage Finance Ltd*

A loan of \$1.0m was entered into during the year ended 31 March 2023. This loan has an interest rate of 12.0% p.a. Repayment in full was required by 27 November 2023. Subsequent to reporting date this was extended to 27 March 2024. The loan is secured by 74 and 76 Aldwins Road, Christchurch.

Senior Trust

Senior Trust Retirement Village Income Generator Limited holds second mortgage security over the aged care facilities. The loan is interest only with a fixed interest rate of 10.75% (30 Sep 2022: 10.75% and 31 March 2023: 10.75%) p.a. Repayment is required in full on 30 October 2024.

Teltower Limited Loan

A term loan of \$4.0m was entered into during the year ended 31 March 2023. This loan has an interest rate of 6.0% p.a. (30 September 2022: 6.0% p.a. 31 March 2023: 6.0% p.a.). Repayment is required in full on 1 April 2027. There is no commitment to repay principal until two years from term expiry (1 April 2025). The loan is secured by the present properties at 56 McPhee Street, Dannevirke and 62 Aldwins Road, Phillipstown as well as any after acquired property.

Insurance premium funding

Funding was provided by Hunter Funding Limited for the payment of insurance premiums during the period. In the comparative period funding was provided by Monument Finance Limited.

First Mortgage Trust

A loan of \$0.4m was entered into during the year ended 31 March 2023. This is an interest only loan with an interest rate of 8.75% p.a. (31 March 2023: 8.75% p.a.) The initial maturity date of the loan was 10 November 2023. Subsequent to reporting date this was extended to 10 March 2024 and the interest rate was increased to 9.50%. The loan is secured by 60 Aldwins Road, Christchurch.

NOTE 5: SHARE CAPITAL

	30 September 2023		30 September 2022	
	UNAUDITED		UNAUDITED	
	Number	\$ '000	Number	\$ '000
	(000's)		(000's)	
At reporting date	<u>21,434,975</u>	<u>77,426</u>	<u>21,284,975</u>	<u>77,276</u>

The Group's share capital includes fully paid shares.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

	30 September 2023	30 September 2022	31 March 2023
Note	UNAUDITED	UNAUDITED	AUDITED
	\$ '000	\$ '000	\$ '000
NOTE 6: RESERVES			
Asset revaluation reserve	667	-	667
Interest pooling reserve	<u>(717)</u>	<u>(717)</u>	<u>(717)</u>
	<u>(50)</u>	<u>(717)</u>	<u>(50)</u>

The interest pooling reserve has been used to record the value on acquisition of an aged care facility on 30 October 2020.

	30 September 2023	30 September 2022
	UNAUDITED	UNAUDITED
	\$ '000	\$ '000
NOTE 7: EARNINGS PER SHARE		
Net gain/ (loss) from continuing operations	(152)	382
	Cents per share	Cents per share
Cents per share		
Net gain/ (loss) from continuing operations	(0.0007)	0.0018
	Number of shares 000's	Number of shares 000's
Weighted average number of shares for basic and diluted EPS	21,434,975	21,284,975

The calculation of basic earnings per share is based on the loss from continuing operations attributable to ordinary shareholders and the weighted average of total ordinary shares on issue during the period. The calculation of diluted earnings per share is the same calculation as basic earnings per share as there were no share options to be exercised.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

30 September 2023 UNAUDITED \$ '000	30 September 2022 UNAUDITED \$ '000
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NOTE 8: RELATED PARTY TRANSACTIONS

Related Party	Relationship
Brankin Family Interest Trust	Related to a shareholder and a Director of the Group

(a) Transactions with related parties

Directors fees*	(100)	(88)
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* Directors fees are paid monthly to all directors

(b) Balances with related parties

At reporting date \$0.145m was receivable from Brankin Family Interest Trust (30 September 2022: \$0.538m and 31 March 2023: \$0.145m).

During the year ended 31 March 2023 the Brankin Family Interest Trust paid taxes on behalf of the group amounting to \$0.175m. At reporting date \$0.175m was payable (30 September 2022: \$Nil and 31 March 2023: \$0.175m).

No balances with related parties were written off or forgiven in the period.

NOTE 9: CAPITAL COMMITMENTS

The Group has entered into a fixed price agreement for the development land surrounding the Ranfurly Residential Care Centre. The agreement, initially for 7 years was amended by a contract deed of variation on 6th December 2022, to a period of two years for the development of eight internal units, three 1-bedroom villas and twenty two 2-bedroom villas to be completed at a fixed price of \$12.06m to be paid from ORA sale proceeds from individual units (30 September 2022: \$14.18m and 31 March 2023: \$12.06m). The commitment as at 30 September 2023 is \$6.29m (30 September 2022: \$Nil and 31 March 2023: \$9.13m)

As at 30 September 2023, all internal units, 1-bedroom villas and 2-bedroom villas had been completed. Fourteen of the villas have been sold, with a further four sold post period end and five under offer. One of the internal units was sold subsequent to reporting date.

NOTE 10: CONTINGENT LIABILITIES

There are no contingent liabilities at 30 September 2023. (30 September 2022: \$Nil)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2023

NOTE 11: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 September 2023 that has significantly affected or may significantly affect:

- (a) the operations, in financial period subsequent to 30 September 2023, of the Group, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial period subsequent to 30 September 2023, of the Group.

DIRECTORY

Registered office	Duncan Cotterill Level 5, 50 Customhouse Quay Wellington, 6011
Directors	Thomas Brankin Craig Percy Helen Down (resigned 28 August 2023) Rhonda Sherriff (appointed 13 July 2023) Jill Hatchwell (appointed 28 August 2023)
Auditor	William Buck Audit (NZ) Limited
Bank	Bank of New Zealand Kiwibank
Solicitors	Duncan Cotterill, Wellington

Promisia
HEALTH AND CARE



www.promisia.co.nz