Inspiring better.

Annual Report 2024

Inspiring better.

Consistent innovation to deliver the ultimate resident-focused experience.

Back in 2014, we asked a question: What if there's a better way to provide retirement and aged care living? What if what was currently offered was only a fraction of what it could be — the ultimate resident-focused experience?

We set about curating a uniquely premium offer built around higher quality, sustainable accommodation, and a totally fresh approach to personalised service and care. The result is a reimagining of the retirement living and aged care experience, and a transformation of the business we were a decade ago.

These past few years have been tough for everyone. But as long as we keep asking questions and continue our pursuit of better, we can be confident of sustainable growth for a long time to come.

Contents.

Transformation through innovation.

Long before our NZX listing we've been reimagining what retirement living looks like. We've achieved a lot in the past seven years, and there's more to come.

Assets
$918m

Operating cash flow
$38.9m

+205%

+119%

Assets
$2.8bn

Operating cash flow
$85.4m

Pre-FY17

Wesley Institute of Nursing Education
Addressing NZ's nursing shortage through intensive training.

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Care Suites
One of Oceania's first innovations, this applies the approach of independent living units to care, creating a more premium experience and greater certainty for residents. Tested in Auckland, care suites now form part of our offering nationwide.

FY17

NZX listing

FY18

FY19

Homestar certification
Adopting NZ Green Building Council's criteria for environmental sustainability and living quality into our designs. 495 units delivered since inception.

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FY20

Nurse Practitioner Model
Nurse led primary care service introduced. Now operating in 21 care centres across NZ, allowing residents access to high-quality, individualised healthcare.

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FY21

FY22

Five Ways to Wellbeing Programme
Oceania is the only aged care operator to adopt the Mental Health Foundation's approach to positive social and environmental outcomes.

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FY23

Sustainability Linked Loan
Oceania establishes a five-year, $500m loan linking over two-thirds of its debt funding to three sustainability performance targets.

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Couples Care Suites
Offering the comfort of having loved ones stay close during later-life living.

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FY24

Luxury Private Care: The Helier
Oceania is the first NZ retirement village operator to offer fully-funded, private and personal care services.

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Together App Pilot
Integrating Alexa, offering information and assistance at fingertips and voice command.

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Ready for the future.

I am pleased to present the Oceania Annual Report for the year ended 31 March 2024.

Oceania has delivered a favourable financial performance, increased sales volumes, seen strong capital gains and continued its construction activities to support future growth.

Financial Performance

Oceania's Total Comprehensive Income of $70.5m for the 12 months ending 31 March 2024, is up 104.3% from the prior corresponding period and Net Profit after Tax of $31.5m, is up 104.5% on pcp.

Total assets increased to $2.8b and Net Assets increased to $1.0b at 31 March 2024, up 9.3% and 6.7% respectively. This increase is largely due to the continued development across 10 sites during the period.

Total sales volumes were also up 16.7% on pcp including a 22.7% uplift in new sale volumes to 157 independent living units (ILU) and care suites.

For the year ended 31 March 2024, operating cashflow was $85.4m, 21.7% up compared to $70.2m for the year ending 31 March 2023. The uplift includes increased total cash receipts from occupation right agreements of $226.3m, up 26.6% on pcp.

As at 31 March 2024, Oceania had undrawn net debt headroom of $88.5m increasing to circa $100.0m as at 23 May 2024.

Underlying NPAT is $62.1m for the 12 months ending 31 March 2024, up 6.0% on pcp. This included total capital gains of $67.9m an increase of $8.5m or 14.4% from the prior corresponding period.

During the reporting period, as part of the divestment programme, six sites were exited or closed, with aggregate gross sales proceeds received of $21.0m. Post balance date, Oceania has settled the sale of two further sites for gross sale proceeds of $16.2m, and a further site is currently under conditional contract for sale.

Pleasingly, post balance date, full and final agreement was reached with insurers in relation to all insurance claims arising from the Auckland Floods and Cyclone Gabrielle from early 2023.

Final Dividend

The Directors approved a change on 24 May 2023 to the dividend policy to a pay out ratio of 30% to 50% of Underlying Net Profit After Tax in order to provide for ongoing and future investment in growth.

Consistent with the approach taken at the time of the interim results, the Directors have resolved not to pay a final dividend to provide for ongoing investment in Oceania's growth and portfolio transformation after taking into consideration cash flow, market conditions and growth opportunities.

"Oceania will continue to be an innovator in the sector and focus on its care and village strategy to improve resident experience, capital management, sustainability and position itself for future growth."

Portfolio

As part of the execution of Oceania's greenfield development strategy, there will be an increase in independent living villas being built rather than apartments or care suites (which were suitable products for building in the centrally located brownfield sites) and therefore there will be a reweighting of the property portfolio. As at 31 March 2024, Oceania's independent living unit portfolio comprises 51% villas and 49% apartments, with most of these apartments having been completed in the last four years.

As completion dates approach for current site developments, Oceania will be looking to acquire land which would be suitable for villa product to extend the pipeline. This will also increase the proportion of villa products in Oceania's portfolio.

Regulation

Over the last 12 months the industry has been subject to a review by the Ministry of Housing and Urban Development of the Retirement Villages Act (the Act). The public were asked to comment on changes to the Act and Oceania supports any requirements which may be imposed on operators as a result of the review which will raise overall industry standards for the benefit of residents.

In addition to the Ministry's review, the Retirement Village Residents Association has been focussed on potentially unfair practices under the Act. Most of the practices identified by the Association are not used by larger operators, nor are they widespread. Oceania's position is that weekly fees cease on vacation, the capital sum is repaid when a new resident moves into a villa or apartment and the DMF does not continue to accrue after the resident leaves. Where the resident does not share capital gains, there is no capital loss clause. Call bell and medical services information for each village are in disclosure statements. A codified and robust complaints policy is in place and meets or, in most cases, betters the timeframes required by the code of practice.

Risk Management

In recognition of the increasingly complex and, at times, uncertain, environment in which Oceania operates, Board and Management have embarked on a programme of work to uplift and mature the company's approach to risk management. This includes deeper consideration and resilience measures for emerging and escalating risks such as climate, cyber-threats, and use of generative AI technologies, as well as continued focus on the more traditional and core business risks such as care for people, residents, development and offer. Management have increased resources and attention to elevate risk practices throughout the organisation to ensure risk practices are effectively and sustainably embedded to support safe and successful operation of the business.

Integrated thinking and sustainability

Oceania is evolving its reporting practices and this year marks a significant step in the journey towards integrated reporting, deepening Oceania's commitment to transparency and sustainable value creation. Management has introduced an updated value creation model (see pages 12–13) that aligns with Oceania's strategic pillars and demonstrates effective utilisation of different capitals (or inputs) in business activities to foster long term value creation. As part of this journey, Oceania has incorporated enhanced metrics in this report, to measure progress against the Sustainability Framework introduced last year. Oceania's Sustainability Framework was designed to address the material impacts identified and reported in FY2023 through extensive stakeholder engagement and throughout this report is evidence of progress to address those material impacts.

Climate reporting

As an NZX listed company, Oceania is designated as a Climate Reporting Entity (CRE) under the New Zealand mandatory Climate-Related Disclosures (CRDs) regime. During the reporting period, Oceania has made significant progress in identifying and understanding the risks and opportunities associated with climate change and has invested considerable effort in enhancing its knowledge of potential climate impacts. Oceania is set to publish its first mandatory CRD for FY2024 shortly.

Governance

During the year, Directors have continued to meet with residents at many of Oceania's sites around the country. It is a privilege to meet Oceania's residents and team onsite and observe the culture and day to day operations. The Board always enjoy the opportunity to meet with residents and receive their feedback which is then incorporated into Oceania's continuous improvement processes.

I would like to thank Directors for their dedication, commitment and wisdom and support that they have provided to the executive team during the last 12 months.

Looking ahead

It has been an absolute pleasure having Brent Pattison at the helm over the last three years. He has demonstrated resilience and tenacity in the execution of the strategy, including leading the sector to deliver new forms of innovation. Brent has always had the residents at the heart of everything he does and has set the business up well to benefit from the positive momentum in the market and for his successor to build upon this success and Oceania's continued growth.

Oceania will continue to be an innovator in the sector and focus on its care and village strategy to improve resident experience, capital management, sustainability and position itself for future growth.

On behalf of the Board, I would like to thank our people for their enthusiasm and dedication throughout the year.

Yours sincerely,

Liz Coutts

Elizabeth Coutts

Chair

Aligned for better outcomes.

Financial
31 March 2024

Total assets
As at 31 March 2024

$2.8bn

9.3% higher than 31 March 2023 total assets of $2.5bn

Underlying Earnings Before Interest, Tax, Depreciation and Amortisation
31 March 2024

$82.6m

3.2% ahead of 31 March 2023 earnings Before Interest, Tax, Depreciation and Amortisation of $80.0m

Reported Total Comprehensive Income
31 March 2024

$70.5m

compared to 31 March 2023 reported total comprehensive income of $34.5m

Operating Cash Flow
31 March 2024

$85.4m

compared to 31 March 2023 reported operating cash flow of $70.2m

Operational
31 March 2024

Total sales

476

16.7% higher than total sales for the year to 31 March 2023 of 408

89 New units

68 New care suites

129 Resale units

190 Resale care suites

Developments
31 March 2024

Units and care suites under construction as at 31 March 2024

264

- Waterford Stage 1 (Hobsonville, Auckland)
- Elmwood Stage 1 (Manurewa, Auckland)
- Awatere Stage 3 (Hamilton)
- Meadowbank Stage 6 (Auckland)

Units and care suites substantially completed in FY2024

182

- The Helier (St. Heliers, Auckland)
- The Bellevue Stage 2 (Christchurch)
- Redwood (Blenheim)
- Stoke (Nelson)
- The Bayview Stage 3 (Tauranga)

Units and care suites expected to be completed in FY2025

224

- Awatere Stage 3 (Christchurch)
- Elmwood Stage 1 (Manurewa)
- Waterford Stage 1 (Hobsonville, Auckland)

ESG
31 March 2024

GHG emissions (t CO2e)

Total

59,900

Compared to 31 March 2023 total emissions of 43,029

Scope 1 + 2

3,591

Compared to 31 March 2023 scope 1+2 emissions of 4,442

Construction waste diverted from landfill

Auckland

79.0%

Compared to 31 March 2023 construction waste diverted from landfill of 77%

Non-Auckland

62.9%

Compared to 31 March 2023 construction waste diverted from landfill of 58.2%

Employee NPS (eNPS) (+/-100)

24

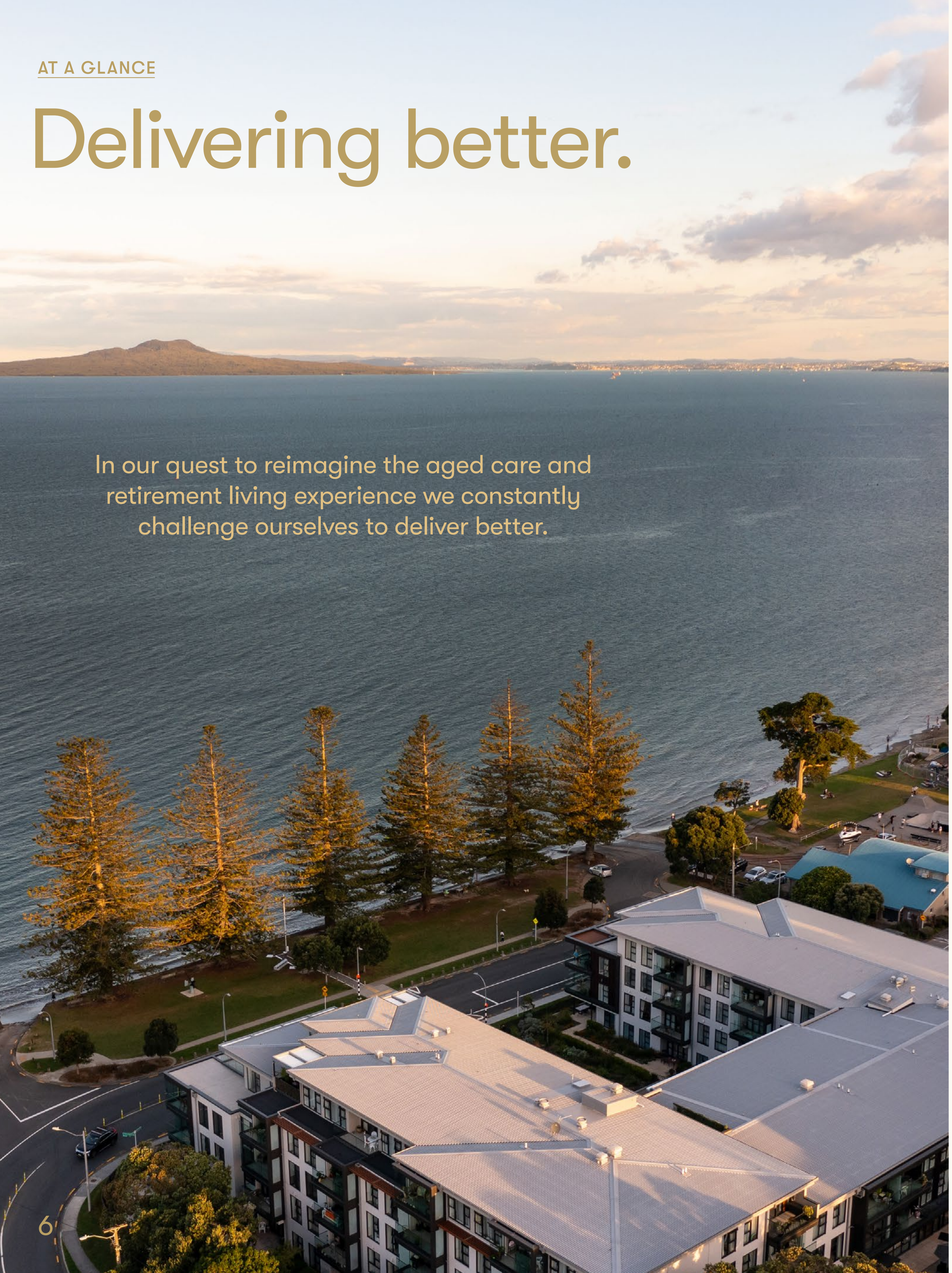
Compared to 31 March 2023 eNPS of 16

Care resident NPS (+/-100)

41

Compared to 31 March 2023 care resident NPS of 35

Delivering better.



In our quest to reimagine the aged care and retirement living experience we constantly challenge ourselves to deliver better.

Staff	Residents
3,000	4,100
Care beds and care suites	Units
2,467	1,915

Existing sites with mature operations	Existing sites with current and planned developments	Total sites
26	17	43

As at 31 March 2024

Set for success.

"I am proud that Oceania provides a rewarding and sustainable investment proposition because of our premium, resident centred, service led business model."

Oceania has made significant progress with the embedding of its five year strategy that we have outlined in the previous two Annual Reports, and despite continued pressures placed on our residents, teams and portfolio, we are confidently implementing our strategy and fulfilling our purpose to reimagine the retirement living and aged care experience in New Zealand. I am proud that Oceania provides a rewarding and sustainable investment proposition because of our premium, resident centred, service led business model.

We are embedding our five year strategy

When we considered our future in 2021 we planned for the eventuality that Oceania's brownfield development pipeline was coming to a natural end, after successfully developing these held sites with great resident communities, bespoke and boutique living. We planned that our future pipeline would be complemented with greenfield developments, representing the next opportunity to develop larger format resident communities, with an independent resident focus including villa and townhouse design. Three years later, we have executed two greenfield land acquisitions and completed a further 13 development stages of our pipeline. In 2021, we knew that apartments and care suites needed to be part of an integrated village to be viable. Since 2021, we have brought to market over 586 more ILUs and care suites. We knew in 2021 that we needed to pioneer a new approach to aged care, reducing reliance on government funding and targeting a new resident need for quality, personalised care building upon our leading model of care reputation. The welcoming of our first care suite residents at The Helier is a proof point that our pivot to private paying care was an important component of our continued innovation in the broader retirement and aged care sector.

Value creation and business model

Our point of difference is that we offer bespoke and innovative premium care to our residents which offers returns for our shareholders while improving the overall experience for our residents. We recognise that value extends well beyond purely financial performance and that social and environmental performance is equally important to our stakeholders.

> "Oceania has long been regarded as the leader in the provision of high quality residential care services to older New Zealanders."

To achieve our purpose of reimagining the retirement living and aged care experience in New Zealand, our value drivers are our people, our expertise, our villages, our relationships, our financial capital and our natural capital. It is these value drivers which create value outcomes such as improved resident experience, improved well being of people, residents and their families and Oceania's pioneering and innovative spirit.

Offer

A cornerstone of Oceania's business is our "Offer" strategic pillar which designs, develops, builds and then sells premium properties to our residents of the future. We believe our bespoke approach when undertaking new developments has led to the premiumisation of Oceania's built form.

Oceania contracts out its construction to a small number of trusted high quality and capable partners. This has served us well and has allowed us to focus our attention on the replenishment of the development pipeline. This approach has also allowed us to take a disciplined approach to our design and development activities in order to protect development margins (which in a tougher property market are moderating).

As we foreshadowed in last year's Annual Report, we have been developing greenfield sites.

Oceania has sites around New Zealand and has intentionally designed smaller boutique villages. Most of our villages have a resident population of well below 200 and we have built recent new developments on less than one hectare of land. These smaller developments enable us to recycle cash more efficiently than large scale, multi year developments.

Despite the headwinds facing the construction sector, we successfully delivered 95 independent living units and 87 care suites across five sites throughout FY2024. This included Stage Two of The Helier (Auckland) which comprises 17 apartments and 32 care suites, 46 apartments at The Bellevue (Christchurch), 55 care suites at Redwood (Blenheim) and 28 apartments at The BayView (Tauranga).

Private paying care

Oceania has long been regarded as the leader in the provision of high quality residential care services to ageing New Zealanders and FY2024 saw the opening of The Helier and the first premium private paying care facility in New Zealand. Oceania has a higher weighting of care beds relative to its peers, and was the pioneer of care suites, as a premium model of care, back in 2008. Oceania has invested heavily in the care suite model to offset the inadequate funding, relative to expected services, received from the Government and maintain acceptable returns on capital. Since the inception of its care suite product, Oceania has capitalised on premium care earnings when margins on traditional care beds are difficult to achieve.

As at 31 March 2024, 43.4% of Oceania's total care residences are care suites, licensed to residents under an occupation right agreement model. Care suites deliver additional capital and deferred management fee income (DMF) to the business and improve free cash flow growth as DMF for care suites is realised faster than DMF for villas and apartments. Care suite DMF has grown from $7.0m in FY2020 to $16.0m in FY2024 and this will continue to grow as the pipeline of care suite developments is completed.

The care suite model is now well accepted by the market and we are continuing to see high levels of demand for our care suites, with 258 care suites sold in the year ended 31 March 2024 (up from 256 in the year ended 31 March 2023).

Resident Experience

While one of Oceania's points of difference is the premiumisation of its physical building, landscapes and assets, we recognise that our service offering needs to be tailored to match the physical build.

Oceania is therefore continuing to reimagine retirement living through its service offering, focusing on resident health and wellbeing, recreation and convenience.

In providing premium care services to our residents, Oceania continues to have a relatively high ratio of nurses to residents. This level of investment is required in order to provide the highest standard of resident experience and deliver the level of care expected by our current, and future, residents.

People Capability

Oceania is, and has always been, a people business. We have approximately 3,000 staff delivering outstanding resident experience and service to our 4,100 residents every single day.

Oceania is dedicated to becoming an employer of choice and fostering a "Believe in Better" culture among its employees. It was encouraging to witness active participation from our people in our Employee Share Scheme once again in 2023, with over two thirds of our workforce signed up for the 2023 offer.

We have recently completed our annual employee engagement survey and we are very pleased to see not only a much higher level of participation but also an increased employer Net Promoter Score across the business. We are reviewing the feedback that we received from the survey and looking at ways we can provide other financial and non-financial benefits to our people in order to appropriately reward and recognise them.

Oceania is committed to growing the capability of its people and providing a positive workplace environment and we are pleased with the successful move of our Corporate Office to 188 Quay Street, Auckland in February.

Growth

Oceania's fourth strategic pillar is to deliver outstanding financial performance and sustainable Growth. Oceania is a disciplined, prudent investor of its capital and we are taking a long term approach with respect to creating value.

We are seeing a good level of enquiry for sales across our 43 sites as the sector continues to be supported by a growing population of ageing New Zealanders who are seeking improved security, lifestyle and health outcomes while remaining part of their local community. We are continuing to observe moderate development margins and resale capital gains from these sales of our independent living villas and apartments and care suites.

Part of Oceania's successful portfolio transformation is a divestment programme which has progressed well over the last 12 months. During the reporting period we announced the sale of two Auckland sites in August 2023 and the completion of the sale of a parcel of land in Nelson, in December 2023. Since 31 March 2024 we are pleased to announce the settlement of two further sites, one in Auckland and one in Christchurch and one further site is currently under contract for sale and on track to close in the first half of FY2025. This will bring the total number of sites exited, divested or closed since the start of the divestment process to nine, with aggregate gross sales proceeds of circa $40m and in line with book value.

(From left to right, back row to front row) Kathryn Waugh, Brent Pattison, Anita Hawthorne, Claire Fisher, Tracey Taylor, Andrew Buckingham

Oceania is Innovating Better

As we continue to Believe in Better, our innovative approach to premium care is paying off. This year, we delivered the jewel in the crown of our portfolio, The Helier by Oceania. The Helier offers unparalleled luxury retirement and aged care living and is the first premium offer that is fully operational in New Zealand. Located in the heart of St Heliers, Auckland, and with intentional property orientation design, it fits seamlessly into the local surroundings. Offering panoramic views over the Waitemata Harbour and Auckland CBD, The Helier hosts 79 premium apartments and 32 private care residences.

This unique property has been designed for a discerning resident first and foremost — combining beautifully curated spaces, 5-star hotel like services and a level of amenities second to none. Foundation retirement living and care residents have moved in and are delighted with their new homes and the experience on offer. The Helier is a true demonstration of how Oceania is reimagining retirement and aged care living in New Zealand with intentional resident first design around both building and services. We have paved the way for further developments of this kind, truly shaping not only the Oceania portfolio, but also the broader sector.

"As we continue to Believe in Better, our innovative approach to premium care is paying off. This year, we delivered the jewel in the crown of our portfolio, The Helier by Oceania."

Looking ahead

Although I love this business, I have signalled my plans to step down as CEO later this year after repositioning Oceania and successfully implementing a five-year growth strategy. It has been a privilege to lead Oceania. Our team of 3,000 are the most dedicated, driven, and enthusiastic individuals and every day they work tirelessly to deliver to our promise of 'Believe in Better'.

The business has invested in the professionalisation of the culture and attracted new talent, including two new executive members in FY2024, as well as developing career growth opportunities for our existing, highly capable team.

I have appreciated the Board's support during my leadership.

Brent Pattison

Chief Executive Officer

Beyond the numbers.

At Oceania, we Believe in Better, and that means more than the numbers on our balance sheet. We have a joint responsibility to our shareholders, our residents, our people, the natural environment and wider society. For our organisation to thrive in the long term, we will weave these responsibilities through the fabric of everything we do.

Our approach is guided by the principles of the Integrated Reporting Framework and the Global Reporting Initiative (GRI), which offer comprehensive frameworks for organisations to assess their impact on the environment, society and the economy and integrate these broader perspectives into their reporting practices.

This has also reshaped our strategic approach in recent years, to focus on four core pillars that serve as the foundation of our strategic decision-making processes, supported by our Sustainability Framework (see page 15). As part of our journey toward Integrated Reporting, we have adopted the Six Capitals framework to enhance our assessment of value creation and overall performance over time. This report introduces our updated Value Creation Model, outlined on pages 12–13.

This is a new approach for us and we are embracing the learning process involved. The Six Capitals framework identifies six key "capitals" (in alphabetical order): Financial, Human, Intellectual, Manufactured, Natural and Social. Oceania's leadership team has engaged with this framework to consider the inputs and outputs involved in our value-creation processes, as well as the impacts of our activities on these capitals. We are exploring ways to generate value across these capitals within our strategic pillars. Our first step is to share our value creation model with you and explain how our strategic choices have both positive and, at times, negative impacts on the various capitals, affecting not only our organisation but also the broader system in which we operate.

Offer

To design, develop, build and sell premium properties for our customers of the future.

Resident Experience

To be the leader in the delivery of resident experience in retirement villages and aged care centres in New Zealand.

People Capability

To build capability and develop a culture that enables our people to perform their life's best work at Oceania.

Growth

To deliver outstanding financial performance and sustainable growth.

How we create value.

Our Capitals

Our team
Our people are our greatest asset. Their dedication and expertise drive our ability to enrich the lives of our residents daily and deliver outstanding care.

Our expertise
We use resident insights to drive innovation and remain at the forefront of retirement and aged care living and seek to invest in global best practices, systems and processes, including our nurse led model of care.

Our retirement villages and care centres
We are dedicated to developing high-quality, environmentally sustainable villages, equipped with quality amenities.

Our relationships
We are a people business. Building strong relationships with our residents, their families, our people, suppliers and stakeholders, is pivotal to everything we do.

Our natural capital
We recognise the environment's fundamental role in shaping and sustaining our retirement and aged cared villages and communities. By adopting sustainable practices, we are committed to minimising our environmental impact.

Our financial capital
We employ a combination of shareholder funds, banking facilities and operating cashflow to maintain and grow our business.

Our Purpose — We are reimagining the retirement and aged care living experience in New Zealand

Our Material Impacts

Resident wellbeing
Resident safety and security, provision of quality care, social connectedness, health equity of ageing Māori and Pacific peoples and the capacity and capability of our people.

Employee practices
The health and wellbeing of our people can be affected by issues such as national workforce shortages, pay equity, health and safety and opportunities for professional development, and diversity and inclusion.

Community and social wellbeing
Accessibility and affordability of aged residential care options for older New Zealanders, supporting the public health system by helping to free up public hospital beds, impacting the cultural significance of land, and training NZ and internationally qualified nurses.

GHG emissions and climate
GHG emissions from corporate, village and aged care centre operations and embodied carbon.

Waste and environmental impact
The impact we have on the environment including waste going to landfill, biodiversity and ecosystems, emissions and pollution from operations, water, and the opportunity to support a circular economy.

Economic contribution
Through economic activity and job creation and adding to housing supply.

Sustainable supply chain
Environmental and social impacts of procurement choices and supply chain practices.

Ethics, trust and governance
Trust levels with residents and their whānau through the provision of services to residents and ethical business conduct.

The Value for our Stakeholders

Our team
We grow and develop our team members through fostering an inclusive culture and training.
By doing so, we enable teams to deliver exceptional services and improved resident-focused experiences.

Our residents
We create vibrant and enjoyable retirement and aged care living experiences for our residents.

Our society
We seek to create thriving community hubs.
Our retirement villages and care centres go beyond being residences, as they foster a sense of belonging and togetherness in the local community.

Our industry
We participate in and advocate for industry-wide issues, to support better outcomes for NZ's ageing communities and the people who care for them.

Our environment
We establish more resilient communities for our ageing population and by adopting sustainable practices and minimising our negative impact we not only reduce our environmental footprint, but aspire to create opportunities for regeneration.

Our investors
Oceania focuses on the financial performance of its assets and is committed to long term sustainable growth.

Aspirational Value Outcomes

Oceania's villages are a driving force of thriving communities around New Zealand. We use resources sustainably to build homes that seamlessly integrate with, and benefit, the local community.

Residents thrive in our hospitality inspired, resident-led villages. We enable our residents to live a sustainable and fulfilled life.

As an employer of choice we enable our teams to perform their life's best work at Oceania.

We create long term value for our stakeholders by integrating sustainability into our thinking, strategy and growth initiatives.

The pursuit of better

We aspire to integrate our villages with the local community, making them more desirable as our residents can stay part of the communities they call home.

Our Sustainability Framework.

Oceania published its Sustainability Framework in FY2023, setting out its aspirations and goals for each of its four strategic pillars. The metrics and targets we have set help to bring accountability, focus, monitoring and transparency to the sustainability journey, and help Oceania in informed decision-making.

Our Sustainability Framework is enabled by:

- supply chain practices
- partnerships and collaboration
- innovation and technology
- sustainability risk management
- policies and processes
- data and measurement
- transparent reporting
- sustainability capability
- advocacy

Offer

Aspiration

We use resources sustainably to build homes that seamlessly integrate with, and benefit, the local community

Goals

We design with a focus on the local environment, community needs and cultural values of each location.

We minimise our environmental impact and support a circular economy.

Resident Experience

Aspiration

We enable our residents to live a sustainable and fulfilled life

Goals

We prioritise resident wellbeing through conscious design and exceptional services.

We actively engage with our residents, people and local community to create positive social and environment outcomes.

We are creating sustainable retirement and aged care living experiences for today, and for our people of tomorrow

People Capability

Aspiration

We are an employer of choice

Goals

We attract, grow and retain great people.

We provide a safe, diverse, equitable and inclusive workplace that fosters our people's development and capability.

Growth

Aspiration

We integrate sustainability into our thinking, strategy and growth initiatives

Goals

We adopt a long-term value focus when making investment decisions and allocating capital.

We reduce our GHG emissions in line with our science based target and integrate climate resilience into our business.

Our offer:
A healthy community.

At Oceania, we aim to build villages that become a valued part of the community.

Our building strategy is about building the right product, in the right place, at the right time and in a way that's sustainable, a strategy which has led to a targeted approach to development in recent years. Each design and development project is driven by the motivation to offer a premium experience that makes Oceania the best choice for ageing New Zealanders.

We aspire to integrate our villages with the local community, making them more desirable as our residents can stay part of the communities they call home.

Getting this right starts with understanding the local environment, community needs and cultural value of each location, through insights. The aim here is to ensure that developments contribute to rather than intrude on the cultural shape and social fabric of the community that it is entering.

This thinking also applies to the physical environment. Oceania looks to minimise the impact on the natural environment and support a circular economy, both during the construction process and once residents move in.

Any organisation with a portfolio as large as Oceania's will have an impact on the environment, which is why we are placing emphasis on understanding our waste contribution, water and energy use, and how this can be minimised.

Oceania's commitment to sustainability is also reflected in the design choices being made in respect of new builds.

Increasingly Oceania residences have Homestar certification from the New Zealand Green Building Council (NZGBC) (see page 20), which ensures apartments are warmer and healthier than a typical home. Not only does this translate into better living conditions for Oceania residents and better work environments for Oceania people, but will become increasingly important when sourcing financial capital in the future.

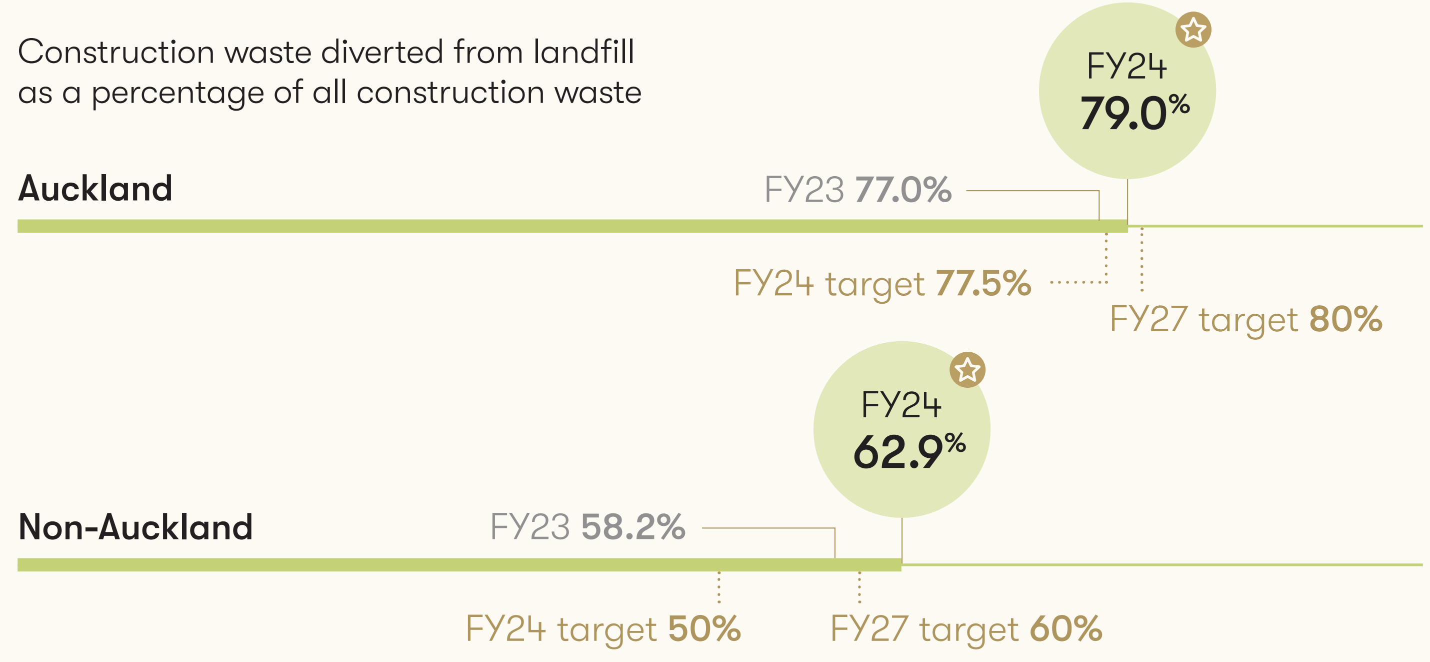
Key metrics

Construction waste

FY24

Construction waste to landfill	327t	Construction waste diverted away from landfill	842t

Construction waste diverted from landfill as a percentage of all construction waste



Water

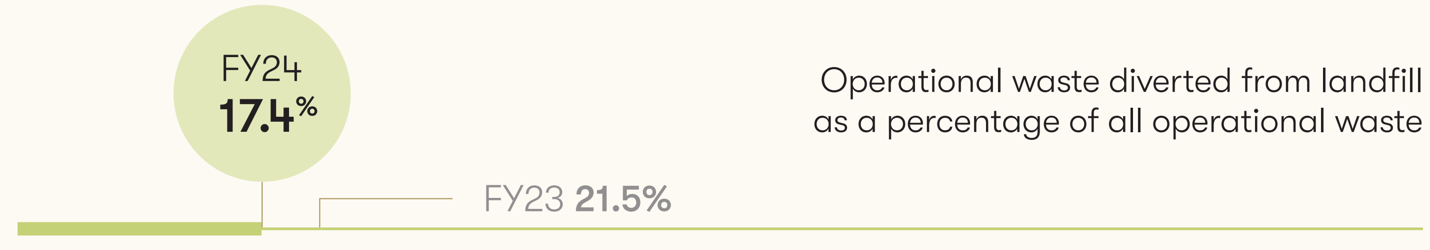
FY24		FY23	
Water use (000s)	$349m^3$	Water use (000s)	$347m^3$

Operational waste

FY24

Operational waste to landfill	1,640t	Operational waste diverted away from landfill	345t

Operational waste diverted from landfill as a percentage of all operational waste



Greenstar communities

FY25 target	FY24
One pilot development	On track to register first Greenstar communities project, Ngā Mara Village, in FY2025

Adventurous spirits at The Helier.

Pam and Cedric Little are adventurers at heart. And they haven't let retirement stand in the way of adding a few more tales to their storied lives together.

It was the rhythmic back and forth of a tennis ball crossing the net that knocked love into the hearts of Cedric and Pam Little 60 years ago. The pair grew up in Mount Eden only down the road from each other and whiled away lazy weekends on the local tennis courts.

"I was better," quips Pam, with a cheeky glint in her eye when asked who had the superior prowess on the court. After six decades together, Cedric's wry smile suggests he knows better than to disagree and confirms Pam's recollection of events.

Despite all their years together, the spark and feistiness woven through their shared history still shines through time and time again in a relaxed discussion with panoramic views of the city and the water at their apartment in Oceania's flagship premium offering The Helier.

Conventional knowledge suggests retirement is a time to put your feet up, but no one ever shared that information with Pam or Cedric.

Adventurers at heart, their relationship has been typified by trips in and out of New Zealand over the years. They only recently sold a motorhome that had taken them up and down the country and were keen yachties in their earlier years.

Now, both in their 80s that adventurous spirit is still there but it's simply taking a slightly different – some would say more luxurious – form. The pair recently took a cruise to Patagonia and had the rare opportunity to go under the surface in a small submarine off the Chilean coast.

"I normally get claustrophobic, but I was so excited about the whole experience that I was fine," says Pam, battling to contain the residual excitement still bubbling to the surface.

Cedric was equally moved by the experience, pointing to the details that made this such a special experience.

"This was actually a submarine," he says. "It's not a bathysphere, which is still attached by a line to the mothership. This was completely self-contained and it only had radio contact with the ship up above. This was by definition a submarine and we are now, in actual fact, submariners."

Cedric attributes the freedom to board a submersible vessel in his 80s to their decision to become the first couple to call The Helier home.

"That's part of the advantage of being in a place like this: it's secure; it's looked after," he says, pointing out that it's incredible to have the peace of mind that everything will still be in place once they return home from whatever adventure they have on the itinerary.

For Cedric and Pam, the decision to move into The Helier came quickly.

"When we saw this was being built, it just ticked all the boxes," says Cedric. "It was local and it was part of the community. We didn't muck around too much. We just decided and moved in. That's probably how we've always led our lives to some degree. We've made big decisions and we haven't backed out."

The Helier was appealing to the Littles because it wasn't a sprawling facility on the outskirts of the city. It was a part of a community they knew and loved. It was part of their community.

The pair are touching here on an aspect of retirement living that is so often overlooked. Kiwis are living longer and healthier than they ever have in the past, which means they are able to participate in their communities deep into their retirement years. As Cedric points out, he doesn't need an onsite library or lawn bowls at his retirement establishment because he's more than capable of getting himself to those places within the community.

"When we saw this was being built, it just ticked all the boxes," says Cedric. "It was local and it was part of the community."

The boutique living environment also means that Cedric and Pam know all their neighbours by name and often hang out with them during the cocktail and canapé events put on by The Helier team every evening.

"We have 'Helier Hour' every night here with drinks and canapés," says Pam, smiling."But you can't go every night. You've got to be resilient. It's too tempting. It's just too tempting."

Cedric and Pam both laugh in joint appreciation of the good fortune they've found in sharing their golden years at The Helier.

"I see this as our reward for working long and hard over the years," says Pam, reflecting on decades the pair spent building a successful funeral business together.

Cedric decided to retire as soon as he hit 65 and he had absolutely no regret about handing over the reins when he did.

In the years that followed Cedric's retirement, the pair lived in an apartment not far from The Helier but they have no regret about making the transition. They admit the initial decision is always confronting when it comes to moving into a retirement village, but in conversations with friends over the years, they've heard a common refrain repeated more often than not.

"As you get closer to the age and you talk to people, you often hear that line, 'I wish I'd done it earlier,'" reflects Cedric. "You can only enjoy this standard of living if your health is good enough and you're self-sufficient enough to enjoy the experience. And that's the big plus of living at The Helier because you can really enjoy your time here while still being part of the community."

While people generally don't like to talk about these things, Pam and Cedric also take comfort from the fact that they know they'll still be close together should either require additional care.

The Helier has just opened a state-of-the-art care offer that gives couples the security of knowing they'll still be close together even if their partner falls ill.

"To be able to see each other every day would be huge," says Cedric.

Even after 60 years of marriage and travels around the world, it's still the small things that matter at the end of every day.

The Helier is the epitome of luxury later-life living.

Offering 79 retirement residences and 32 private care residences built to the New Zealand Green Building Council's Homestar 6 certification, The Helier reimagines what retirement looks like in New Zealand.

The amenities on-site include, but are not limited to:

- State-of-the-art gym and spa
- Indoor swimming pool
- Day spa, offering a range of holistic treatments
- All-day dining including café and bar
- Executive chef
- In-room dining
- Exclusive wine library
- Concierge
- Chauffeur service (Jaguar EVs)

The boutique design of The Helier means it is part of the St Heliers landscape. Residents regularly enjoy an excellent range of dining and entertainment in the vicinity and they're only a short chauffeur drive from everything the city offers.

In February 2024, The Helier also opened 32 state-of-the-art care residences, giving residents added certainty that they will still be close to loved ones when they need additional care.

Residents also benefit from conscious design through certification to Homestar 6, including solar PV installations on the roof, low E-glazing throughout the building, energy-efficient hydronic underfloor heating in the communal lounges, continuous air extraction in bathrooms, heat pumps for heating and cooling requirements, EV charging capability and LED lighting.

The Helier offers a carefully curated glimpse at the enormous potential of luxury retirement living in New Zealand.

Our FY24 journey.

We design with a focus on the local environment, community needs and cultural values of each location.

How Oceania implements Homestar

Oceania has been designing and building to the New Zealand Green Building Council (NZGBC) Homestar certification since 2018. Homestar certification applies to residential buildings, so for Oceania this covers independent living apartments and villas. To date, Oceania has delivered 10 projects to Homestar 6 "As Built" rating, equating to 495 independent living units and 26% of its total independent living units. A further 210 units are under construction (or awaiting "As Built" certification). Oceania has previously built to Homestar 6, and with its new development at Ngā Mara are aspiring to reach a Homestar 7 certification.

How Oceania implements Greenstar

We previously reported that we were investigating the feasibility of Greenstar and are pleased to announce that Oceania has registered the first Greenstar project for the care and community buildings at the Ngā Mara development. Greenstar certification differs from Homestar in that it applies to commercial and other non-residential buildings, and still has a broad focus on assessing environmental design and performance.

How Oceania implements Greenstar Communities

Oceania is currently working towards registering its first Greenstar Communities project for Ngā Mara. Acknowledging that every place is different and has its own set of cultural, environmental, community and social factors that shape its identity and character, we have used the Greenstar Communities tool to guide us in designing a community for Ngā Mara that is not only sustainable and environmentally friendly, but also healthy, resilient, and inclusive for our future residents. This is an important step for us as we seek to design with a focus on the local environment, community needs and cultural values of each location. Oceania has worked with cultural advisors to assist with aspects such as naming the village. Oceania has also undertaken consultation with key stakeholders and governing bodies within Auckland, including Mana Whenua groups and adjoining neighbours.

We recognise we have more work to do in this area, including strengthening our application of the engagement and cultural heritage and identity process within the Greenstar Communities tool. However, the experience we have gained through this latest project has been valuable for Oceania and we will apply the learnings to improve our approach in future development.

What is Homestar?

The New Zealand Green Building Council's Homestar system rates homes on a 6-to-10-star scale for environmental sustainability and living quality. It evaluates energy and water efficiency, waste management, ventilation, and material selection. Higher ratings indicate superior design and construction for sustainability and occupant health.

What is Greenstar?

The New Zealand Green Building Council's Greenstar system rates commercial and public buildings on a 4-to-6-star scale, evaluating design, construction, and operations. It focuses on energy efficiency, water usage, materials, indoor quality, and innovation. Higher ratings signify excellence in sustainable practices, reducing environmental impacts and boosting occupant health.

What is Greenstar Communities?

New Zealand Green Building Council's Greenstar Communities tool is a comprehensive framework that assesses the sustainability of large-scale developments. It evaluates the planning, design, and construction phases on criteria including liveability, economic prosperity, environment, and innovation.

We minimise our environmental impact and support a circular economy.

Waste

Oceania is committed to reducing its key operational and construction waste.

In FY2024 we completed updated waste audits. Notably, incontinence products represent over half of our operational landfill waste. We will use these insights to establish a target to decrease operational waste to landfill.

In FY2024, we collaborated with suppliers to explore more sustainable materials for incontinence products, recognising the limited options of viable biodegradable alternatives that meet our durability needs. Concurrently, we are trialling methods to reduce single-use plastic bags in incontinence waste handling and have made modifications to onsite disposal to enhance this effort. Our ongoing initiatives reflect a broader industry challenge, and we continue to engage with peers in our industry and learn from international best practice regarding incontinence waste reduction.

Food waste

Oceania has implemented food waste diversion practices in the majority of its villages and care centres, utilising composting, collections, offsite piggeries, and other methods to minimise landfill contributions. Despite these efforts, our audits indicate ongoing challenges with food waste entering general waste streams, and we are developing solutions for sites currently lacking diversion measures. In FY2024, we partnered with the University of Otago on a Food Waste Minimisation project funded by the Ministry for the Environment's Waste Minimisation Fund for the retirement village industry, with three of our villages set to participate starting in FY2025.

Construction waste

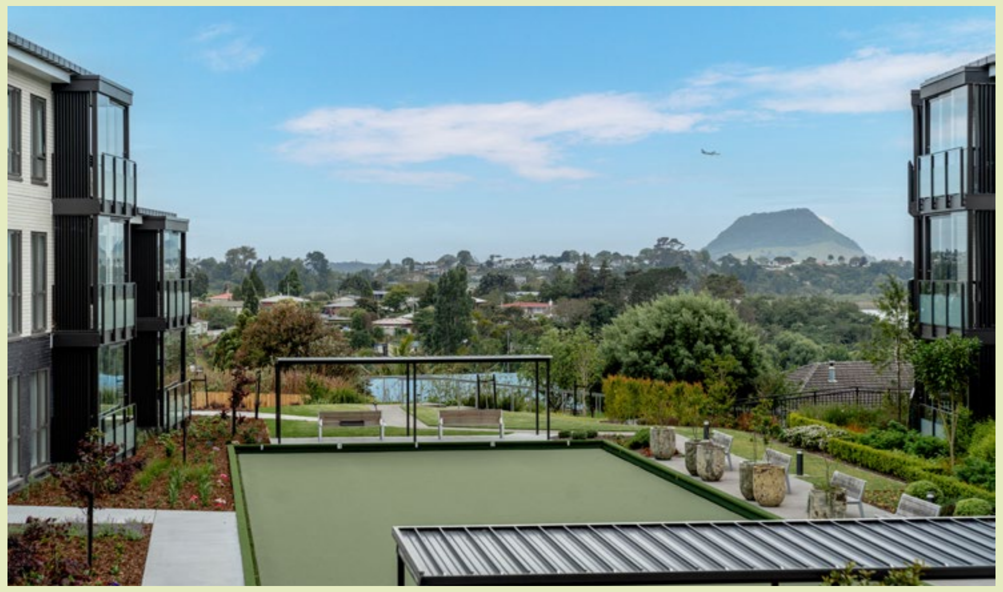
As Oceania expands its portfolio, we remain committed to minimising our environmental impact by managing construction waste effectively. In FY2024, we successfully met our waste diversion targets. Specifically, we diverted 79.0% of construction waste from landfill in our Auckland projects, surpassing our target of 77.5%, and achieved a 62.9% diversion rate outside of Auckland, exceeding the 50% target. These variations reflect the more developed waste diversion infrastructure in Auckland compared to the less mature systems in other regions.

In total, Oceania diverted 842 tonnes of construction waste from landfill in FY2024, preventing 132 tonnes of CO_2e emissions.

We collaborate closely with our construction partners and their waste providers to enhance waste diversion efforts. Waste management is a critical component of our Site Waste Management Plans (SWMP) and is consistently addressed in Planning & Coordination meetings. In addition, our project managers' personal performance metrics are directly linked to achieving these construction waste targets.

The Bayview

The Bayview village achieved a Gold rating in Tauranga City Council's Resource Wise Programme. This five-year initiative, in collaboration with the Council, focuses on enhancing waste management through audits, training, and resource sharing. In FY2024, The Bayview diverted 92% of food scraps and 75% of paper and cardboard from landfill.



Marina Cove

The onsite worm farm at Marina Cove, established by residents and employees with support from the local Envirohub group, shows the residents' commitment to sustainability. Constructed entirely from recycled materials, including the kitchen fork used to lock it, the worm farm transforms organic waste into compost for resident gardening projects. This initiative also serves as an educational tool, inspiring a local kindergarten to start its own farm using worms from Marina Cove.

Healthy homes and sustainable refurbishments

Following the establishment of Oceania's Impact Partnership with All Heart NZ in FY2023, Oceania has enhanced its refurbishment process to incorporate more sustainable practices. This includes appointing and working with main regional contractors to integrate sustainability more effectively throughout its refurbishments, which already voluntarily meet the Healthy Homes standards for heating, ventilation, and insulation. In addition, we are upgrading to double-glazing where necessary.

We are working to adopt a circular economy approach and prioritise repurposing materials. Our pilot in Auckland at sites Totara Park, Meadowbank and Lady Allum involved donating appliances and fixtures through All Heart NZ and community groups like the Assemblies of God Congregation. We are now evaluating the outcomes and planning a nationwide rollout with our contractors. This revised process will improve data capture, reporting, and contractor training in sustainable deconstruction, while providing valuable feedback to our design teams for future projects.

Water efficiency

Oceania's water use across its portfolio has remained fairly constant (FY2024 vs FY2023). In the reporting period Oceania has sought to understand water usage with more accurate and timely data and is currently looking at smart metering options for its portfolio. We continue to roll out more efficient tapware and showerheads as part of our designs and refurbishment programme and the new design for our greenfield development, Ngā Mara, incorporates rainwater harvesting.

Oceania is enhancing its refurbishment process to incorporate more sustainable practices.

Our resident experience:
Space to thrive.

New Zealand's relationship with retirement is evolving. We are living longer and healthier lives, so we want to stay active, continue engaging in social events and keep our minds sharp by learning.

As a provider of retirement living, Oceania must ensure that it responds to the shifting needs of its residents to create an experience in line with societal trends. While building innovative properties is integral to Oceania's strategy, more is needed to deliver on the promise to provide a resident experience that reimagines retirement living in line with resident expectations.

Last year, Oceania aspired to build a culture focused on wellbeing to enable residents to live a fulfilled life and set a goal within the Sustainability Framework to "prioritise resident wellbeing through conscious design and exceptional services."

Whilst this is our aspiration, there are external factors influencing our mid to long-term strategy, including but not limited to the GP shortage crisis, inequities in the healthcare system and the relationship between technology and older New Zealanders.

This requires creative thinking, and we have rolled out innovations to deliver on our goals, including the Nurse Practitioner model, the Oceania Together App and Couples Care Suites. The process of innovation allows us to anticipate the needs of residents and develop structured solutions to improve their daily experience. Oceania's approach isn't only about innovation but ensuring that our residents across the country feel fulfilled. In our Sustainability Framework, we have set a goal to actively engage with our residents and local community, to create positive social and environmental outcomes.

One way to achieve this ambition has been through the adoption of the evidence-led 'Five Ways to Wellbeing' programme, which is rolling out nationwide through employee training. The training aims to provide insight into how to develop initiatives that bring the pillars of the programme to life: connect, get active, take notice, learn and give.

Oceania understands its responsibility to New Zealand's indigenous people, who face inequities in healthcare outcomes. To support our ageing Māori and Pasifika peoples, we have developed a comprehensive Māori Health Plan that promotes an understanding of Te Tiriti o Waitangi and the Ngā Paerewa Health and Disability standards, ensuring we are better placed to respond to their specific needs.

Improving the resident experience will require continued financial investment, expertise, and dedication of our people alongside a healthy environment and community. These inputs will continue to create value through improved competencies within our team, better community relationships across our villages and the development of organisational systems.

Key metrics

7 Homestar certification

New ILUs designed and built to 7 Homestar

FY30 target	FY24
All new designs incorporate 7 Homestar	On track

Care resident wellbeing

Number of care residents who improve or maintain an optimum level of health

FY27 target	FY24	FY23
78.9%[1]	Exceeded	Exceeded

Care resident satisfaction

Net promoter score (+/- 100)

FY24	FY23
41	35

1 The methodology for this care resident wellbeing metric is bespoke to Oceania for the purposes of establishing a social metric under our sustainability linked loan. The methodology was created using six years' of historical Oceania interRAI data.

Improving wellbeing through innovation.

As the needs of our residents evolve, it is incumbent on Oceania to adapt its offering to ensure that the resident experience remains positive.

We already have a strong track record of innovation, which has driven resident experience. That work has been ongoing over the last year as evidenced in the continued success of our care suite model, which delivered 258 sales in the year ended 31 March 2024 (up from 256 sold during the comparative period the previous year).

We have also recently launched fully funded private care at The Helier, the first retirement village operator to do so in New Zealand. This delivers 32 care residences that boast state-of-the-art facilities. These include an onsite physiotherapist, equipped gymnasium, and a heated indoor pool for therapeutic activities. Each resident is assigned a registered nurse supported by care associates and overseen by a nurse practitioner.

While this is a significant step for Oceania in the premium space, not all New Zealanders can afford private care or care suites. As the demand for aged care continues to rise in the coming years, Oceania is aware this will have a social impact across socio-economic brackets and will require careful consideration as we continue to expand our offering. Oceania continues to offer 873 standard beds, equating to 35% of its total care portfolio.

Oceania remains cognisant of long-term challenges facing the entire healthcare sector, including the shortage of general practitioners.

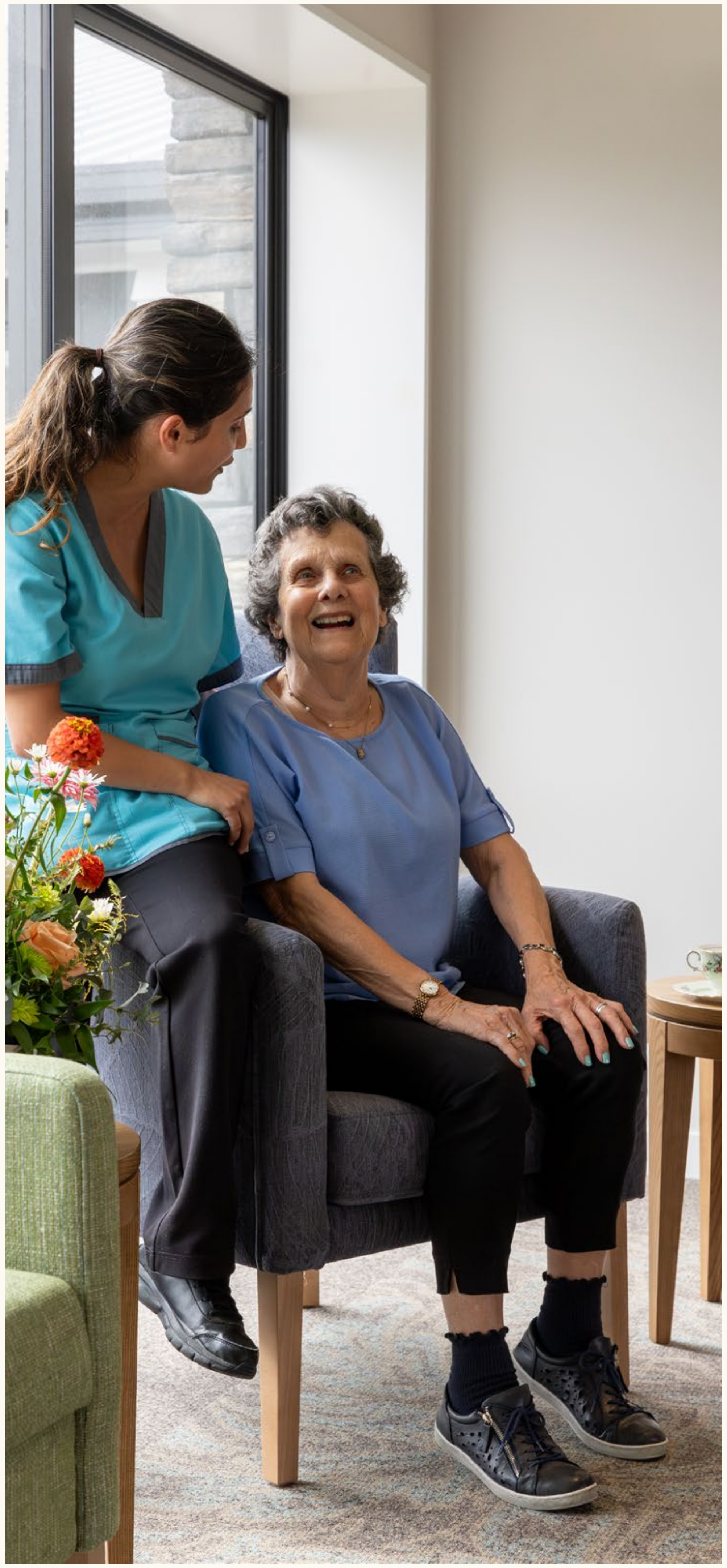
The Royal New Zealand College of General Practitioners estimates that within the next 10 years, New Zealand will be short 300 GPs, a challenge that shows no signs of abatement amid strong international competition for doctors.

Given the impact this will have on residents, Oceania has since 2020 employed the Nurse Practitioner Model to improve the quality, responsiveness and continuity of care to our residents.

Nurse Practitioners (NP) are highly skilled health practitioners with extensive clinical experience and advanced education (a minimum of a Master's degree), clinical training and competence. Their scope of practice extends beyond that of a registered nurse in that they assess, diagnose, and treat health problems for common and complex health conditions. This includes requesting and interpreting diagnostic testing, prescribing medications and other medical devices or treatments, and referring patients to specialist care. The presence of NPs at our care centres reduces the demand for GPs, while also alleviating strain on the public health sector.

What is private care?

Private care refers to a healthcare model where residents receive personalised care without Oceania having a contractual obligation to Te Whatu Ora / Health New Zealand. While certified by the Ministry of Health, The Helier's private care offers flexibility in the delivery of services, allowing residents to select and pay for their desired level of service and care. Oversight by an experienced Head of Care and Nurse Practitioner ensures clinical needs are met, with a pre-entry home visit facilitating accurate assessments and a smooth transition into The Helier.



Oceania has implemented this model across 21 of its facilities thus far. We currently have 12 NPs working for Oceania and plan to expand this approach across the country to eventually roll out across both residential and care suites so that every resident that chooses Oceania has access to high-quality individualised and holistic healthcare.

To support this objective, Oceania has created career pathways for registered nurses on our team to upskill and become NPs.

Oceania's commitment to innovation doesn't end there. We developed Couples Care Suites to ensure that loved ones don't have to be separated when one or both of their health deteriorates. Initiatives like these greatly improve the resident experience by ensuring that couples don't have to face the added anxiety of being separated from their partners.

Oceania is also innovating in technology through piloting apps and the use of voice-activated media to provide residents with a more connected living experience. Technology offers a significant opportunity for residents to stay connected to family members enhancing the resident experience.

We will continue to invest in innovation and our model of care, and this will play a significant role in improving the resident experience and Oceania's internal expertise.

Nurse Practitioner evaluation shows the benefit of a nurse-led model

First implemented in 2020, alongside the introduction of our first NP at Oceania, we recently celebrated and shared the innovative nurse-led primary care services model. An evaluation of this model was completed in 2023, which found that there was a very high level of satisfaction with the new model of care from staff and NPs.

In a survey completed by Facility Managers, Clinical Managers and Registered Nurses, we found that 96% of participants trusted NPs clinical decision-making all or most of the time. Further to this, 92% of respondents were satisfied or very satisfied with the total coverage of the primary care service. Oceania is proud to demonstrate that employing NPs based in care centres is an effective and efficient way to provide quality care and relieve the pressure on primary care providers in the community.

Shirley Ross, Clinical Director at Oceania (right), with Nurse Practitioner Heather, receiving an award from Auckland PHO for second place in achieving flu vaccinations for an over 65 age group

Our FY24 journey.

We prioritise resident wellbeing through conscious design and exceptional services.

Enhancing care resident wellbeing and satisfaction

Oceania is committed to enhancing care resident wellbeing through its model of care excellence, which emphasises person-centred care and resident engagement. To effectively measure our performance, we employ a bespoke methodology using interRAI[1] data that assesses the proportion of residents experiencing improvements (or remaining at an optimum level) in their wellbeing. We do this by measuring inputs that cover physical, social and psychological wellbeing that contribute to the overall care resident wellbeing score. For FY2024 Oceania scored 79% for care resident wellbeing, successfully meeting the target against its sustainability linked loan.

Oceania measures Net Promoter Score (NPS) for care residents, and their satisfaction across various services including care, meal service and cleanliness. In FY2024, care resident NPS was improved to 41, up from 35 in the previous year.

We recognise the importance of continuous feedback from our residents to drive service improvements. We are looking to implement a resident satisfaction survey for our independent living residents and are actively exploring ways to capture the feedback from specialised areas such as residents living with dementia.

Improving clinical care through the Fundamentals of Care framework

In collaboration with the International Learning Collaborative (ILC), Oceania has implemented the Fundamentals of Care framework, which emphasises essential aspects of healthcare that are critical to resident wellbeing. This approach enhances the therapeutic relationships with residents, addressing physical, psychosocial, and spiritual needs. The ILC aims to globally transform care by emphasising person-centred fundamental care, supported by education, research, advocacy, and policy. It incorporates whanaungatanga, the Māori concept of building and nurturing relationships, emphasising a sense of family, and belonging. It also enables the healing relationship with the resident, and whānau is at the centre of the nursing care plan.

Addressing antimicrobial resistance

Oceania is actively participating in national efforts to steward antibiotics use and combat antimicrobial resistance (AMR), a growing public health concern, based in both hospitals and communities. Guided by the Health Quality and Safety Commission (HQSC) and their Quality Improvement methodology, we are enhancing antimicrobial use across our facilities. In 2023, The Sands care centre in Auckland successfully piloted an Antimicrobial Stewardship (AMS) project, leading to its expansion across all our care centres. This initiative aligns with national AMS goals and demonstrates our commitment to improving healthcare quality and safety.

The Māori Health Plan

All management teams across our villages and care centres have completed training in The Māori Health Plan, enhancing their capability to uphold Te Tiriti o Waitangi principles and meet Ngā Paerewa Health and Disability standards. This training focuses on recognising and addressing the unique health and cultural needs of older Māori and Pacific peoples in our care. From admission, our approach is to understand each resident individually, tailoring care plans that incorporate specific needs and preferences, with significant family involvement. Employees receive ongoing training in cultural practices, including tikanga. We assess our impact by monitoring key clinical indicators across different ethnic backgrounds, ensuring our services remain equitable and responsive. Our commitment to The Māori Health Plan underscores our dedication to health equity and culturally responsive care, fostering an inclusive environment where all residents can thrive.

1 InterRAI is an internationally recognised clinical assessment tool developed by the interRAI consortium and licensed in New Zealand by interRAI Services, a division of TAS. InterRAI data provides Oceania with a validated third party source.

Evidence-led dementia design at Meadowbank

We've leveraged both internal expertise and external partnerships with organisations like Dementia Auckland, Alzheimer's NZ, and the National Dementia Foundation to enhance the design of our dementia care centres. Our focus is on creating home-like environments tailored to residents' social, cultural, and cognitive needs. Our Meadowbank Dementia centre is currently under development, and the building features will include clear signage, and intentional use of colours for safety and ease of use for the cognitively impaired. Our specialised design elements will stimulate residents' senses and promote a calm atmosphere.

Innovation in technology

In addition to our continued focus on services and design aimed at enhancing resident experience, Oceania remains dedicated to advancing technological innovation. Notably, we have implemented two key pilots in FY2024: a mobile application, the "Together" App, and the integration of Alexa software into our nurse call system at The Helier.

The Together App

Our Together App represents a significant step forward in resident engagement and convenience. Serving as an interactive platform, the pilot offers residents a wide array of services and information at their fingertips. Through the Together App, our residents can directly interact with the Oceania team, access our newsfeed and events calendar, request services such as chauffeur bookings or self-drive car reservations and make activity reservations. Residents can use the Together App to submit maintenance requests and notify the team of things that require extra attention, thereby streamlining communication and enhancing overall resident satisfaction.

Alexa integration

The pilot to integrate Alexa software into our nurse call system adds an extra layer of comfort and peace of mind for residents. Residents can quickly and easily summon assistance in emergency situations simply by using voice commands. This integration means that help is always within reach, even where a resident isn't anywhere near an emergency trigger.

As these innovations have only been recently introduced to our flagship site, The Helier, and are still undergoing development, we look forward to integrating these offerings in both new and existing villages and care centres in the future.

I Love Music programme

Oceania's 'I Love Music' program, now in its sixth year, continues to enrich our residents' lives by providing personalised musical experiences. Currently, 24% of our care residents are actively enrolled, enjoying tailored playlists on their personal mp3 players. This initiative taps into the power of music to unlock cherished memories and improve mood, with research indicating that familiar tunes can enhance sociability and evoke long-term memories. Our Aged Care Living team leverages online music libraries and audio books to offer residents innovative and intuitive entertainment options, further enhancing their sense of comfort and nostalgia.

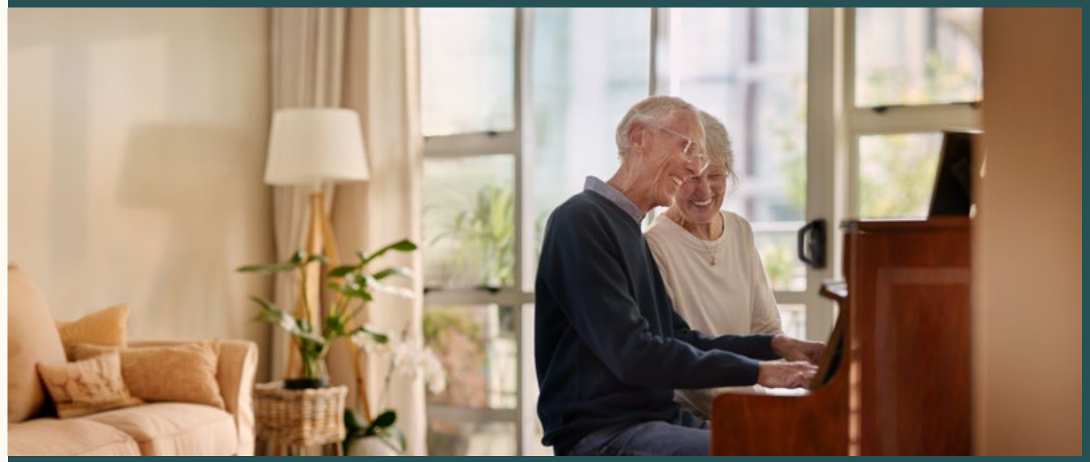
Couples Care Suites

Anitha Mogilicharla is the Regional Clinical Manager for Oceania's Northern Region. She has a long-standing relationship with Oceania, having initially worked as a Healthcare Assistant while studying Nursing and eventually becoming a Registered Nurse at one of Oceania's facilities in Auckland. Prior to her current role, Anitha worked as Clinical Manager at The Sands.

"I love the fact that no two days are the same in my job," she says. "It's so rewarding to support and provide reassurance to both residents and staff."

During her time at The Sands, Anitha saw firsthand the benefits of Oceania's Couples Care Suite offering.

"The care suite provides a home environment away from home, fostering a sense of familiarity and ease with safety features. They ensure that each partner has their own area while still being close enough to support and interact with each other," she says.



Mimicking a home environment, the Couples Care Suites are slightly more spacious and offer an additional lounge and dining space.

"The comfort of having a partner in the same space offers advantages from sharing meals with a dining-in experience to engaging in leisure activities with one another. The larger space also provides a protected area for residents to spend time with visitors and family members," says Anitha.

On top of this, Anitha highlights that the care team members play a vital role in enhancing the couple's experience. Through interacting with couples every day, they get to know them on a personal level, allowing them to provide tailored support and companionship.

We actively engage with our residents, people and local community to create positive social and environment outcomes.

Five ways to wellbeing

Oceania recognises that with over 4,000 residents and 3,000 employees, it has a real opportunity to enable residents and employees to help create positive social and environmental outcomes for the community, and one way we deliver on this is through the 'Five Ways to Wellbeing' programme.

Oceania is the only aged care or retirement village operator in New Zealand to actively adopt the 'Five Ways to Wellbeing' approach in its operations. The strategy is contingent on promoting and facilitating participation in the five pillars of the programme (connect, get active, take notice, learn and give) across Oceania residences.

Research has shown this approach to be effective, with a 2019 study of over 10,000 adults finding that those who engaged in multiple pillars had higher levels of personal wellbeing.[1] The study also found that wellbeing levels increased as more of the pillars were practised (in any combination).

Higher wellbeing is associated with better health, greater longevity, the ability to cope with adversity, increased productivity and stronger personal relationships.

The application of the 'Five Ways to Wellbeing' programme at Oceania is informed by a local framework developed by The NZ Mental Health Foundation. Thus far, more than 50 employees across Oceania have been trained in the 'Five Ways to Wellbeing' framework and those numbers will increase as further training is rolled out in the coming year.

The approach is already delivering results, with our teams around the country incorporating this thinking into event calendars and weekly activities.

Every unique experience enjoyed by residents around the country has the potential to become a compelling narrative on what sets Oceania apart.

1 Mackay, L, Egli, V, Booker, L-J, Prendergast, K: "New Zealand's engagement with the Five Ways to Wellbeing: evidence from a large cross-sectional survey", School of Language, Social & Political Sciences, University of Canterbury, pages 230-244

1. Keep moving (get active)

In 2023, hundreds of Oceania residents and employees collectively walked the length of New Zealand to raise funds for the Mental Health Foundation New Zealand (MHFNZ). An initial target of walking for 14,100 minutes was surpassed employees, with participants collectively walking for over 150,000 minutes. After seeing the physical and mental wellbeing benefits, many residents plan to continue their walking routines. Over $20,000 was raised for the MHFNZ.

2. Brainy Beanies (give)

Residents around the country have shown their support for Brain Tumour Support NZ's Brainy Beanies initiative. This project invites New Zealander's to knit bespoke beanies, which are donated to Brain Tumour Support NZ and auctioned to raise funds for this important cause. Residents at Totara Park village have already contributed around 60 hand-knitted beanies, exemplifying the 'Give' pillar from our 'Five Ways to Wellbeing' programme.

3. Making learning fun (keep learning)

Our Eversley Care Centre is dedicated to stimulating lifelong learning and inspiration among our residents. A recent educational trip to the local Planetarium enabled residents to explore the night sky and our solar system. This experience was complemented by a creative session where residents in the dementia wing painted the planets, learning through art.

4. Bream Bay beekeepers (connect)

Residents at Bream Bay have embraced the "Connect" pillar through their venture 'Bream Bay Village Honey'. This initiative involves maintaining village beehives, harvesting batches of honey, and connecting with the broader community. To date, 70 kg of honey has been produced, which is shared as gifts and with the local community.

5. Showing gratitude (take notice)

The Woburn Care Centre embraces the 'Take Notice' pillar through meaningful initiatives. A gratitude board allows residents and staff to express their appreciation for one another, while bespoke events provide opportunities to appreciate the small things. During Matariki, the team spent the evening observing and appreciating the constellations. These simple initiatives contribute to the 'Five Ways to Wellbeing' by encouraging people to practice mindfulness in daily life.

Community engagement

Oceania is expanding its reach and support of the community through strategic partnerships.

In FY2024, Oceania formed a partnership with the National Foundation for the Deaf and Hard of Hearing (NFDHH), who support and advocate for the deaf and hard of hearing community. In line with our 'Believe in Better' ethos, we are committed to being more accessible for residents with hearing loss and for improving hearing health outcomes for the Oceania community. We became the first retirement and aged care provider in New Zealand to become a Hearing Accredited Workplace, during the reporting period. All of our independent retirement living villages in Auckland have hosted a hearing awareness event, and there are plans underway to expand these events into the Canterbury, Hawkes Bay and Taupo regions.

Natasha Gallardo, Chief Executive of NFDHH has said "We are incredibly grateful for the partnership with Oceania and their commitment to improving the hearing health of their residents. We are also appreciative of Oceania recognising the value of their team undertaking hearing aware education workshops to ensure their staff can better support their deaf and hard of hearing residents."

Our people capability:
Giving our team room to grow.

At Oceania, our people are the driving force behind our purpose to reimagine retirement and aged care living in New Zealand. We recognise that an engaged, capable, and diverse workforce is central to delivering exceptional care and enriching the lives of our residents.

Oceania aspires to be an employer of choice, to attract, grow and retain great people.

Our people capability strategy is deeply linked to our overall value creation process. We invest in our team's professional development and wellbeing and foster a diverse and inclusive culture. This commitment helps to strengthen our teams, our expertise, and our relationships and this drives operational excellence and our ability to continue to deliver high-quality services. Motivated and stable teams also help us mitigate risks related to workforce shortages and employee turnover.

Our commitment to people capability is underpinned by integrated thinking, considering the interdependencies and trade-offs between different priorities. We aim to balance our financial investments in training with improvements to our processes and relationships. This approach helps ensure we deliver benefits to our stakeholders, including residents, employees, and the wider community.

Key metrics

Metric	FY24	FY23
Employee net promoter score (eNPS) (+/- 100)	24	16
Employee retention (all employees)	67%	56%
Employee retention (clinical employees)	69%	59%
Gender diversity (CEO-3) (% female)	52%	57%
Long term injury frequency rate[1]	7.47	10.30

1 LTIFR is a health & safety metric that measures the number of lost time injuries (work-related injuries resulting in time away from work).

Fostering and building talent within our team.

Kylie Hill, Village Manager Awatere

The modern employee is eager to learn and develop their skills to ensure they remain relevant in a changing world. It has become incumbent on employers to answer that call for growth by giving their team members the opportunities to develop skills that will give them an edge.

Oceania believes in fostering and building talent within its team, and prides itself on identifying skill gaps and giving employees the opportunity to train and upskill.

To see this in play, look no further than Kylie Hill. Joining the company in 2002 as a part-time office administrator, it didn't take long for Kylie's talent to be noticed. Within just six weeks, she was taken on as a full-time employee and she hasn't looked back since.

Kylie's ongoing dedication and talent caught the team's attention and a series of promotions followed.

"I did some cover for the Facility Manager, served as a part-time Regional Administrator, and eventually became the full-time Business Care Manager (BCM) at Whitianga," she recounts, humbly. Kylie was one of the first administrators that Oceania supported into a BCM role and has since worked as a Sales Manager at Awatere in Hamilton and is now Village Manager there.

Kylie has continued to grow within Oceania and became part of the first cohort of BCMs to undertake a dedicated leadership programme, before going on to complete an additional certificate in management.

"Oceania has invested in my journey and supported me on a career pathway that I truly love. It's a pretty special place to work. I believe in the brand and the Believe in Better ethos - and that's what I aspire to give and to support our village community and team."

"Oceania has invested in my journey and supported me on a career pathway that I truly love. It's a pretty special place to work."

There's no shortage of exceptional talent throughout the Oceania team. Another team member that we're incredibly proud of is Anitha Moglicharla, the Regional Clinical Manager for the Northern Region at Oceania.

Her decade-long tenure with Oceania traces back to her early years in the country. Arriving in New Zealand from India in 2008, Anitha initially worked at a vineyard before deciding to study nursing. This decision would prove pivotal, as she would go on to join Oceania as a Healthcare Assistant in 2011.

Oceania supported Anitha's transition to a Registered Nurse at Everil Orr care home, delivering high-quality service and expertise. She snapped up every learning opportunity offered by Oceania and steadily augmented her skills to become a brilliant manager.

"From my early days as a healthcare assistant to my current role, each step has been marked by continuous learning and growth. My journey with Oceania has been instrumental in shaping my nursing career. The clinical competencies, comprehension sessions and study day opportunities provided within the organisation have been invaluable", says Anitha.

> "A supportive environment helps foster growth, provides encouragement, and acts as a safety net during times of uncertainty."

Anitha's on-the-job training included specialist training in restraint minimisation and palliative care pathways, a post-graduate certificate in advanced nursing, a further postgraduate diploma, and additional training in infection prevention and control through a Post Graduate Certificate course – all supported by Oceania.

By 2019, Anitha's talent and commitment saw her appointed the Clinical Manager for The Sands. Her strong leadership skills and dedication to the team saw her quickly progress, and in less than a year she now holds a role as the Regional Clinical Manager alongside the responsibility of being a National Infection Prevention and Control Coordinator.

Anitha believes the supportive environment Oceania has provided has been crucial in her career development.

"A supportive environment helps foster growth, provides encouragement, and acts as a safety net during times of uncertainty. I am very fortunate in this domain, with the unconditional support from my family and the Oceania management team helping me in every aspect of my success."

Anitha and Kylie are two rising stars within the Oceania team, but they aren't the only ones. Throughout our organisation, we have team members who are equally passionate. Through our various training programmes, we are taking steps to ensure these team members are given the tools they need to bring fruition to their career objectives while doing meaningful work at Oceania.

Anitha Moglicharla, Regional Clinical Manager Northern Region

We attract, grow and retain great people.

Appointment of new Chief People Officer

To deliver on Oceania's aspiration to be an employer of choice, as set out in its sustainability framework, Oceania appointed a new Chief People Officer in February 2024. The CPO is responsible for the People and Culture plan, which will initially focus on building the foundations for a strong people and culture such as the successful implementation of a new HR Information System (HRIS).

Developing our teams

Oceania aims to foster an environment that develops its team members' capabilities while encouraging long-term engagement and retention.

Capabilities and competencies

In the reporting period, Oceania broadened its learning and development programs to include non-clinical roles. It developed a capabilities and competencies framework to ensure site managers are given the opportunity for future development, and provides training across areas such as business operations, clinical responsibilities, hospitality training real estate/ property market insights, legal and regulatory frameworks, sales and CRM utilisation, and leadership development.

Underpinning this framework is the Future Fluent Programme. Launched in FY2024, the programme offers modules to help develop specific skillsets, enabling team members to upskill and become proficient in their respective roles.

Career development

In FY2024, Oceania formalised a new Senior Leadership Team to provide support to the Executive team, empowering these senior leaders with opportunities for growth and decision-making, with dedicated executive support.

Nurse Training

Recognising the critical importance of nursing professionals in delivering exceptional care, Oceania extends its impact beyond its immediate operations by training nurses for the wider New Zealand community. Oceania's Wesley Institute of Nursing Education helps contribute to addressing the national nursing shortage by providing intensive training programs for individuals seeking to become registered nurses in New Zealand. Through the Competence Assessment Programme (CAP) and the Return to Nursing Programme, Oceania assisted over 1,000 individuals in becoming registered nurses in FY2024. Through the Wesley Institute of Nursing Education, Oceania can contribute to the wellbeing of communities across the country. Oceania is mindful that the regulatory framework is subject to change and may affect certification requirements and the CAP programme in future.

Fostering engagement and retention

Oceania's focus on developing its team members is intrinsically linked to its efforts in fostering long term engagement and retention. By recognising outstanding contributions, celebrating achievements, and providing a great resident experience, we create an environment that motivates our workforce and encourages loyalty to the organisation.

With sector-wide challenges including clinical workforce shortages, engagement and retention are paramount. In FY2024, Oceania's retention rate was 67% (all employees) and 69% (for clinical roles), both seeing an uplift on prior years.

Listening to our people

Central to our people strategy is actively listening to our employees' voices and being adaptive and responsive. We conduct yearly employee engagement surveys to gather feedback on various aspects of employee experience, including culture and environment, wellbeing, fairness, and inclusion. This input directly informs our initiatives and decision-making processes, ensuring that our strategies align with the evolving needs of our workforce.

An employer of choice

In FY2024, Oceania's employee Net Promoter Score (eNPS) improved to 24 up from 16 in FY2023 and 8 in FY2022, and there was improvement in all scores across the survey. While a score of 24 suggests a positive employee sentiment overall, there is room to improve to reach higher levels of employee satisfaction and advocacy, as Oceania aspires to be an employer of choice.

Employee benefits

One example of our responsiveness to employee feedback is the introduction of "birthday leave" in the reporting period. This benefit allows employees to take a day off work on or around their birthday, promoting work life balance. This leave benefit builds on Oceania's existing employee benefits, including its industry-leading parental leave policy that tops up the amount employees receive from the government to their usual daily pay for the period they receive the government grant.

"Oceania made me feel supported while on maternity leave. The top-up ensured I could focus on my family and really enjoy time with my little boy." Katie Adams, Executive Assistant, and mum to 11-month-old Teddy.

Rewards and recognising excellence

Oceania believes in celebrating and rewarding the hard work and dedication of employees. Oceania's annual conference serves as a platform for celebrating the team's achievements throughout the year. While incorporating elements of strategy and professional development, the conference primarily focuses on fostering a sense of community, recognising outstanding contributions, and expressing appreciation for the village and care centre managers who attend. The 'Believe in Better' Awards at the annual conference sees employees recognised across leadership, teamwork, hard work, and resident experience.

In FY2024, Oceania invested in creating a modern and collaborative work environment with the relocation of its corporate office. This move aimed to enhance employee wellbeing, productivity and foster greater cross-functional collaboration, reflecting Oceania's commitment to provide its team with a rewarding and engaging workplace experience. We saw a 32% increase in respondents saying the office contributed to a sense of community for employees (from 43% to 75%), and an increase from 68% to 83% of employees rating their health and wellbeing as "good' or "excellent" after moving into the new office.

Te Mana Award

Te Mana winner of inaugural Oceania "Environmental Sustainability" Believe in Better Award

Sharon Chatterton, Village Business and Care Manager at Te Mana Care Centre and Totara Park Village

Executive Assistant, Katie Adams and her son Teddy

We provide a safe, diverse, equitable and inclusive workplace

Creating an inclusive, safe, and rewarding workplace culture is essential for nurturing a high-performing and engaged team. We are committed to promoting diversity, ensuring the wellbeing of our employees, and recognising their contributions to our success.

Fostering culture and diversity

To enable a great diversity and inclusion strategy, we're focussed on putting the foundations in place and are introducing a new HR Information System – HRIS. The HRIS will provide better insights into our workforce composition, enabling us to identify areas for improvement and develop targeted strategies to promote inclusivity. Additionally, Oceania is committed to addressing gender pay gaps and equitable compensation practices and is working to create a new benefits framework.

We organise cultural days that honour and showcase the traditions, heritage, and customs of various communities. These events serve as platforms for learning, understanding, and fostering a sense of belonging among our diverse workforce and residents.

Initiatives such as Diwali, Chinese New Year, St. Patrick's Day, and Matariki celebrations not only promote cultural awareness but also provide opportunities for meaningful connections and shared experiences. By celebrating our differences, we strengthen the bonds within our community and cultivate an environment of mutual respect and appreciation.

Health, safety and wellbeing

The health, safety, and wellbeing of our employees are of utmost importance to Oceania. Oceania has a dedicated focus on incident reporting, risk mitigation, and proactive measures to ensure a safe working environment. In FY024, Oceania saw a considerable improvement in its long term injury frequency rate (LTIFR) being 7.47 (down from 10.30 in FY2023). Oceania's Health and Safety Representatives (HSRs) are important voices across the organisation, championing employee health and safety and playing a crucial role by leading proactive Health and Safety Committee meetings.

We also recognise the importance of mental health and wellbeing. Through initiatives such as Mental Health Awareness Week and our Wellness Portal, Te Whare Tapa Whā, we aim to promote a holistic approach to employee wellbeing, encouraging a healthy work-life balance and providing resources for personal growth and development.

Through our focus on diversity and inclusion, health and safety, wellbeing initiatives, and rewards and recognition programs, we cultivate an environment that empowers our employees to thrive, contributes to our purpose, and embodies our Believe in Better ethos, in service of our residents.

Our growth:

Integrated, long term thinking.

Oceania is pleased to have continued its positive contributions to investors, stakeholders and residents during the reporting period.

Our capability for growth has been demonstrated through premium living experiences, our development pipeline and through leading resident experiences.

Demand for Oceania's services is projected to grow as demographics shift and New Zealand's population ages.

In the last financial year, Oceania delivered 182 units and care suites. Meeting the growing demand for independent living and care residences will require a comprehensive development pipeline.

Therefore, as we execute our growth strategy, we are mindful of integrating sustainability into our building, operations and thinking. This is about taking a long term view and ensuring that investment decisions and capital allocations are in line with where we want the business to be in the future.

Climate change will impact organisations across New Zealand and Oceania must work to ensure climate resilience across its portfolio. We have a goal to reduce our GHG emissions and integrate climate resilience into our business.

Embedding sustainability into our growth strategy will play a key role in continuing to position Oceania as a business that offers a premium, modern living environment.

In FY2023 we established our $500m sustainability linked loan. Now in its second year of performance, Oceania has met all three sustainability performance targets for FY2024 across care resident wellbeing, construction waste diversion, and GHG emissions. This achievement not only demonstrates Oceania's commitment to its ESG objectives but also positions the company to benefit from lower borrowing costs under the loan's terms, reinforcing the financial advantages of sustainable practices in long term value creation.

Embedding sustainability into our growth strategy will play a key role in continuing to position Oceania as a business that offers a premium, modern living environment.

Key metrics

Number of units built[1]

	FY24	FY23
Independent living units	95	66
Care units	87	167

GHG emissions (t CO2e)

Target	FY24	FY23
Reduce absolute scope 1 and 2 emissions by 42% by FY30 below a FY2022 base year	3,591	4,442

Reduction against FY22 base year (location based emissions)

1 Also refer to Trading Highlights (page 5) and accompanying annual financial statements
2 See our Emissions Report 2024: oceaniahealthcare.co.nz/investor-centre/sustainability

Greenfield shift with Ngā Mara.

Our growth strategy has prioritised the development of quality sites that offer premium services and a more intimate setting.

While our focus has been on brownfield development to this point, those opportunities are coming to a natural end. The next phase of our growth strategy will be focused on carefully selected future development projects that don't stray away from our promise to provide villages that are truly part of the community, both creating jobs for the local community and stimulating demand for goods and services. We are aware that with future developments we will have an impact on the biodiversity and local ecosystem, which will require thoughtful consideration.

The coming year will mark a major milestone as Oceania commences work on its first greenfield project, Ngā Mara, comprising villas, care suites, dementia beds, a community building and apartments. The Ngā Mara development will be staged over a number of years, marking an important step in Oceania's mid to long term growth strategy.

Our approach allows for more connected communities within each village, while also ensuring that those villages are integrated into the broader community.

Ngā Mara will be part of a growing community in southwestern Pukekohe. Similarly, for our Bream Bay village in Ruakaka (Northland), we have invested in an area subject to a wider plan change (now approved) that will facilitate the development of housing and a new Town Centre on adjacent land.

Oceania is commencing work on greenfield developments in preparation for the significant demographic shifts we'll see in the population in the coming decades. In the 30 years from 2018 to 2048, the over-75 population in New Zealand will more than double. That rapid growth in New Zealand's retired population will provide a large target market for our developments in the coming years.

Our current development pipeline will see Oceania emerge with one of the best portfolios in the market. This will strengthen the Oceania brand, reduce our impact on the environment and in the longer term ensure a growth trajectory that's focused on premium and sustainable properties that drive better resident experiences.

Our current development pipeline will see Oceania emerge with one of the best portfolios in the market.

Our FY24 journey.

We reduce our GHG emissions in line with our science based target and integrate climate resilience into our business.

GHG emissions

Oceania recognises the impact its operations have on the environment by generating greenhouse gas emissions. The Science Based Target Initiative (SBTi) has approved Oceania's near-term science based emissions reduction target to reduce absolute scope 1 and scope 2 GHG emissions by 42% by FY2030 from a FY2022 base year. The SBTi is the leading standard for corporate climate targets, which aims to ensure that corporate emissions reduction targets align with the latest climate science requirements to limit global warming to well below 1.5 degrees Celsius pre-industrial levels.

Absolute reduction targets mandate a direct decrease in total greenhouse gas emissions, providing a clear and measurable impact on mitigating climate change. Oceania recognises that meeting its absolute reduction target will be challenging, as it grows. However, it has set an emissions reduction plan that considers its future growth based on its development pipeline, which is updated from time to time.

Please see Oceania's FY2024 Emissions Report[1], available on its website, for its emissions over time.

Emissions reduction plan

To achieve Oceania's science based scope 1 and scope 2 absolute emissions reduction target, Oceania is focused on transitioning away from gas, transitioning to an EV/hybrid fleet, improving energy management and efficiency, and investigating renewable electricity. Oceania has created a carbon abatement cost curve to support its emission reduction plan and help prioritise initiatives.

The use of natural gas and LPG in operating our villages and care centres is a significant source of these emissions. Transitioning off gas is a key pillar of our emissions reduction plan and we no longer design for gas.

Following our first hot water heat pump install pilot at our Te Mana care site in Auckland in FY2023, Oceania completed a further five business cases for hot water heat pumps to replace gas boilers for domestic hot water (and some space heating) in FY2024. We are currently replacing gas hot water at the Eden Village in Auckland with a hot water heat pump, and a diesel burner at the Woburn site in Waipukurau with air-to-air heat pumps. Both projects are due for completion at the end of May 2024. Hot water heat pumps have proven to be significantly more efficient than electric cylinders or gas and four further projects for hot water heat pumps are being progressed in FY2025.

Embodied carbon

Oceania recognises that its emissions from scopes 1 and 2 are only 6% of total emissions. Oceania measures its upfront carbon[1] from new developments (or stages). In the reporting period, emissions from capital goods (scope 3, category 2) were Oceania's largest source of emissions. As part of achieving NZGBC Greenstar certification at Ngā Mara, Oceania is focused on achieving a minimum of 10% reduction in embodied carbon for the care centre and community/amenity building through lower embodied carbon structural steel and concrete, as well as material substitutions. Oceania also completed a climate change risk assessment and adaptation plan for this site, which includes solutions for the buildings' design and construction that specifically address key risks identified through the risk assessment.

For more information on Oceania's emissions reductions and climate resilience action, please see Oceania's first mandatory climate risk disclosure due for publication in June FY2024.

1 See FY2024 Emissions Report, oceaniahealthcare.co.nz/investor-centre/sustainability, for the measurement methodology.

We adopt a long-term value focus when making investment decisions and allocating capital.

Operational efficiency

Oceania continues to find ways to improve operational efficiency across its villages and care centres. Oceania is underway in transitioning from incandescent and fluorescent to LED light fittings, as part of a multi-year programme and LEDs are now integrated into new area upgrades and refurbishments. Water conservation measures such as low-flow showerheads, improved garden irrigation and hot water heat pumps are also being implemented. In the reporting period, Oceania installed its first solar PV array, at The Helier.

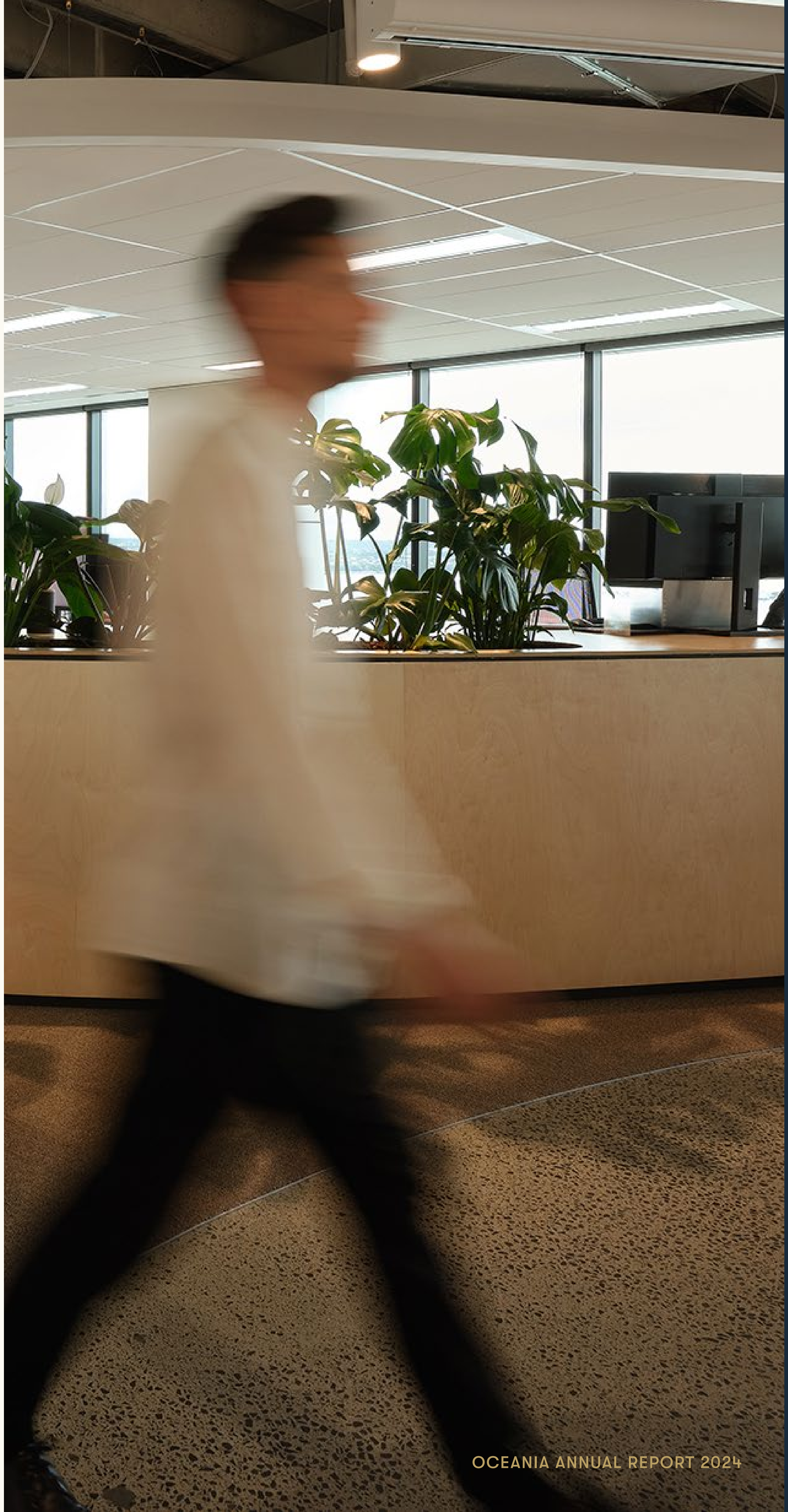
Supplier engagement

Oceania has committed that 72.5% of its suppliers by spend covering purchased goods and services and capital goods, will have science based targets by FY2027. In FY2024, Oceania engaged with these key suppliers to talk through Oceania's sustainability journey, emissions reduction targets and climate initiatives. This dialogue provided an opportunity for Oceania to learn about the sustainability practices being integrated by these suppliers within their organisations. Special emphasis was placed on understanding the measures taken by the suppliers to quantify and control their emissions, and plans to introduce emissions targets (if not already in place). Oceania is pleased to see that these conversations can result in tangible changes to improve sustainability outcomes. For example, our two grounds maintenance contractors are moving to 100% mulch mowing to reduce the amount of green waste being generated as part of the mowing service.

Enhancing supply chain sustainability and strengthening risk management

Oceania is working to improve its sustainable supply chain management, and in the year ahead will be particularly focused on reviewing its supply chain ESG risks, and improving its policies and processes.

Oceania has continued to invest in, and elevate, its approach to managing risk, including building maturity and deepening resilience for dealing with risk. This includes establishing a Risk sub-committee of the Board, investment in risk framework and resources, and greater focus on risk culture, to support strategic growth initiatives and long-term value creation.



Experienced leadership.

Elizabeth Coutts

Chair and Independent Director
ONZM, BMS, FCA

Liz Coutts has been a Director of Oceania since 5 November 2014 and was appointed Chair in 2014. Liz is also the Chair of EBOS Group Limited and Voyage Digital (NZ) Limited trading as Two Degrees and a Member on the Advisory Board – Marsh Limited. Liz is a Fellow of Chartered Accountants Australia and New Zealand. She is a past President of the Institute of Directors NZ Inc and was made an Officer of the New Zealand Order of Merit in 2016.

Liz has previously been Chief Executive of Caxton Group, Chair of Skellerup Holdings Limited, Meritec Group Limited, Industrial Research Limited, Life Pharmacy Limited and Ports of Auckland Limited, Deputy Chair of Public Trust, and a Commissioner of both the Commerce Commission and Earthquake Commission. She has been a Director of Sanford Limited, Ravensdown Fertiliser Cooperative, the Health Funding Authority, PHARMAC, Air New Zealand, Sport and Recreation New Zealand and Trust Bank New Zealand, and a member of both the Financial Reporting Standards Board of the New Zealand Institute of Chartered Accountants and the Monetary Policy Committee of the Reserve Bank of New Zealand.

Liz is a member of all Board Committees.

Alan Isaac

Independent Director
CNZM, BCA, FCA

Alan Isaac has been a Director of Oceania since 1 October 2015. Alan is a professional director with extensive experience in accounting, finance and governance. He is the past President of the Institute of Directors NZ Inc and is Chairman of New Zealand Community Trust and Basin Reserve Trust. He is a former President of the International Cricket Council. Alan is a Director of Scales Corporation Limited and Skellerup Holdings Limited. He is also Board member of Wellington Free Ambulance, the Wellington Cricket Foundation and Community Online Gambling Limited. Alan is also a Member of the NZ Markets Disciplinary Tribunal.

Alan is a former national Chairman of KPMG, and was made a Companion of the New Zealand Order of Merit (CNZM) in 2013. He is a Fellow of Chartered Accountants Australia and New Zealand.

Alan is Chair of the Audit Committee, Chair of the Risk Committee and is a member of the People and Culture Committee.

Dame Kerry Prendergast

Independent Director
DNZM, CNZM, MBA (VUW), NZRN, NZM

Dame Kerry Prendergast has been a Director of Oceania since 22 December 2016. Dame Kerry is a professional director. She was Mayor of Wellington (2001-2010) and is currently the Chair of Wellington Free Ambulance, Wellington Opera, Victoria University Foundation, Tourism Industry Association, Capital Kiwi and Royal New Zealand Ballet. Dame Kerry is also a trustee of New Zealand Community Trust and the Wellington International Arts Foundation. For 25 years Dame Kerry was an independent midwife after training as a general nurse in 1970, and consequently gaining a Diploma in Intensive Care. She was made a Companion of the New Zealand Order of Merit (CNZM) in 2011 and was promoted to Dame Companion of the New Zealand Order of Merit in January 2019 for services to governance and the community.

Dame Kerry is Chair of the Clinical and Health & Safety Committee and a member of the Risk Committee.

Our Board Skill Set.

- Core Strengths
- Climate
- Markets & Customers
- Building & Maintaining Relationships
- Delivering Sustainable Growth
- Property & Construction
- Capital Structure & Management
- Executive Leadership
- Australian Experience

Sally Evans

Independent Director
BHSc, MSc, FAICD, GAIST

Sally Evans has been a Director of Oceania since 23 March 2018. Sally has over 30 years' experience in the private, government and social enterprise sectors in Australia, New Zealand, the United Kingdom and Hong Kong.

Sally is a Director of Healius Limited in Australia, Rest (Australian Super Fund), Allianz Australian Life Insurance Limited and Ingenia Communities. She has previously held Directorships on the boards of Opal Specialist Aged Care and Blue Cross Aged Care, was an inaugural member of the Australian Federal Government's Aged Care Financing Authority and held executive roles as Healthcare Director at the FTSE Compass Group PLC and Head of Aged Care at AMP Capital.

Sally is Chair of the People and Culture Committee and is a member of the Clinical and Health & Safety Committee and the Sustainability Committee.

Rob Hamilton

Independent Director
BSc, BCom

Rob has been a Director of Oceania since 17 September 2021. He is a respected member of the capital markets and finance community in New Zealand, with more than 30 years' experience in senior executive roles. Rob is currently a Director of Westpac New Zealand Limited, a Director of Tourism Holdings Limited and a Member of the Auckland Grammar School Foundation Trust.

He was previously Chief Financial Officer at SkyCity Entertainment Group Limited and a Managing Director and Head of Investment Banking at Jarden (formerly First NZ Capital).

Rob was also previously a member of the Auckland Grammar School Board of Trustees and a Board member on the New Zealand Olympic Committee.

Rob is Chair of the Sustainability Committee and is a member of the Audit Committee.

Gregory Tomlinson

Independent Director
AME

Greg Tomlinson has been a Director of Oceania since 23 March 2018.

Greg is a Christchurch domiciled businessman and investor with experience in a variety of New Zealand industries. One of the original pioneers of the aquaculture industry in Marlborough, he has also established construction and aged care businesses.

Greg established Qualcare before it was sold into the Oceania Group in early 2008 and he was a director of Oceania from 2008 until 2016. Greg holds directorships on the boards of a number of New Zealand based companies and is currently Chair of Heartland Group Holdings Limited.

Greg is a member of the Development Committee.

Peter Dufaur

Independent Director
BProp

Peter has been a Director of Oceania since 17 September 2021. He has over 25 years' experience in the New Zealand property market, including 10 years as Head of Development for Goodman Property Trust. During his time at Goodman Property Trust, Peter was responsible for all of the Trust's development activity and oversaw more than $1.5 billion of successful property development.

Peter also sits on several private enterprise boards, including until recently, Chair of building products manufacturer Thermakraft. Peter is currently the Managing Director of Mayfair Group Limited, which is involved in property development, asset management and funds management across a wide variety of sectors in the New Zealand property market.

Peter is Chair of the Development Committee and a member of the Risk Committee.

Our Board Skill Set.

- Core Strengths
- Climate
- Markets & Customers
- Building & Maintaining Relationships
- Delivering Sustainable Growth
- Property & Construction
- Capital Structure & Management
- Executive Leadership
- Australian Experience

Our board skill set.

Core Strengths

Governance 7/7

- Commitment to the highest standard of governance.
- Board experience (NZX 50 or equivalent) or experience as an advisor to Boards for at least 5 years.
- An ability to assess effectiveness of senior management.

Finance and accounting 6/7

- Senior executive or board experience in financial accounting and reporting, corporate finance and internal controls.
- Understanding of business and property valuation principles and their implications on the financial performance and position.

Risk management 7/7

- Developing and overseeing an appropriate risk framework and culture.
- Experience evaluating and managing financial and non-financial risks.

Capital markets and structure 7/7

- Experience with equity and debt markets, capital structuring and investment analysis.

Regulatory knowledge and experience 7/7

- An understanding of the regulatory environment in which we operate and the role that plays in ensuring sustainable custodianship of our assets and providing benefit to our customers.

Human resources 7/7

- Familiarity with people and best practice development and performance structures.

Health and safety 7/7

- Experience and understanding of health and safety and wellbeing requirements.

Climate

Climate 7/7

- Undertaken climate response training and understand climate risks.

Markets & Customers

Customer Advocacy 7/7

- Experience and understanding of sales, marketing and brand strategy and practices.

Aged Care, Hospitality, Customer Service Market Experience 7/7

- Experience and understanding (either at Board, leadership or senior consulting level) of the dynamics of the international and/or domestic aged care, hospitality and customer services markets, and opportunities and challenges within those markets.

Clinical Experience 4/7

- Experience and understanding of the clinical requirements of the healthcare sector at a governance, leadership and/ or practitioner level.

Building & Maintaining Relationships

Government Relationships 6/7

- An understanding of the functioning of Government and experience developing and maintaining a constructive relationship and interactions with Government and regulators.

Shareholder/Investment Community Relationships 7/7

- Experience in and understanding of shareholder and investment community concerns and developing constructive relationships.

Delivering Sustainable Growth

Growth 7/7

- A track record of developing and implementing a successful and sustainable strategy of growth in business.

Strategy 7/7

- Ability to think strategically and assess strategic options and business plans.

Operational Leverage 7/7

- Experience in leading or advising organisational change and creating value for the benefit of customers and shareholders.

Business Model & Technological Disruption 7/7

- Understanding of differing business models and the potential for disruptive models and practices to impact customers and the supply chain
- Understanding of the opportunity and risks provided by technology development.

Property & Construction

Property & Construction 3/7

- Experience as an investor, leader or adviser in the property development market.
- Experience as an investor, leader or adviser in the construction industry.

Capital Structure & Management

Capital Structure & Management 6/7

- Experience with a range of capital structures and management of capital within an organisation.

Executive Leadership

Executive Leadership 7/7

- Experience in a senior executive leadership position in a large organisation.

Australian Experience

Australian Experience 4/7

- Experience and understanding (either at Board, leadership or senior consulting level) of business in Australia.

Three year summary.

FOR THE YEAR ENDED MARCH 2024

Financial Metrics

$NZm	March 2024 12 Months	March 2023 12 Months	March 2022 12 Months
Underlying Net Profit after Tax[1,2]	62.1	58.6	56.7
Underlying EBITDA[1,2]	82.6	80.0	76.2
Profit for the Year	31.5	15.4	61.1
Total Comprehensive Income	70.5	34.5	114.4
Total Assets	2,782.3	2,544.9	2,197.7
Operating Cash Flow	85.4	70.2	105.5

Operating Metrics

	March 2024 12 Months	March 2023 12 Months	March 2022 12 Months
Units	1,915	1,820	1,625
Care Suites	1,071	984	854
Care Beds	1,396	1,651	1,725
Total	**4,382**	**4,455**	**4,204**
New Sales	157	128	184
Resales	319	280	266
Total	**476**	**408**	**450**
Occupancy	91.1%	90.4%	92.0%

1 This is a non-GAAP measure, refer to note 2.1 in the consolidated financial statements for further details.
2 On 21 April 2020 the Group claimed, and received payment of, a COVID-19 wage subsidy totalling $1.8m. This amount has subsequently been repaid in full on 18 May 2021 and as a result has been excluded from the table above. This proforma adjustment increases underlying EBITDA and underlying earnings in relation to the 12 month period to 31 March 2022 by $1.8m.

Consolidated financial statements.

FOR THE YEAR ENDED 31 MARCH 2024

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2024

$NZ000's	Notes	March 24	March 23
Revenue	2.2	265,463	247,178
Change in fair value of investment property	3.1	60,779	19,497
Change in fair value of held for sale assets	3.3	–	1,886
Gain on purchase of business assets	1.3(i)	–	543
Other income	2.3	9,165	16.866
Total income		**335,407**	**285,970**
Employee benefits and other staff costs	2.4	178,786	164,483
Depreciation (buildings and care suites)	2.4, 3.2, 3.5	12,794	11,363
Depreciation and amortisation (chattels, leasehold improvements and software)	2.4, 3.2, 3.5, 5.2	6,192	6,561
Impairment of property, plant and equipment and right of use asset	2.4, 3.2	9,269	6,531
Change in fair value of held for sale assets	3.3	5,088	–
Impairment of right of use investment property	2.4, 3.5	–	1,431
Impairment of goodwill	2.4, 5.2	555	2,347
Rental expenditure in relation to right of use investment property	2.4	–	158
Finance costs	2.4	16,417	14,315
Other expenses	2.4	77,913	66,781
Total expenses		**307,014**	**273,970**
Profit before income tax		**28,393**	**12,000**
Income tax benefit	5.1	3,081	3,448
Profit for the year		**31,474**	**15,448**
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain on revaluation of property, plant and equipment for the year, net of tax	3.2, 5.1	41,175	17,592
Items that may be subsequently reclassified to profit or loss			
(Loss) / Gain on cash flow hedges, net of tax		(2,154)	1,503
Other comprehensive income for the year, net of tax		**39,021**	**19,095**
Total comprehensive income for the year attributable to shareholders of the parent		**70,495**	**34,543**
Basic earnings per share (cents per share)	4.2	4.4	2.2
Diluted earnings per share (cents per share)	4.2	4.3	2.2

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

Consolidated Balance Sheet

AS AT 31 MARCH 2024

$NZ000's	Notes	March 24	March 23
Assets			
Cash and cash equivalents		7,485	7,439
Trade and other receivables	5.3	124,864	108,929
Derivative financial instruments	5.6	3,030	6,026
Assets held for sale	3.3	44,259	101,652
Investment property	3.1	1,815,387	1,597,721
Property, plant and equipment	3.2	770,877	712,169
Right of use assets	3.5	10,783	4,287
Intangible assets	5.2	5,663	6,717
Total assets		**2,782,348**	**2,544,940**
Liabilities			
Trade and other payables	5.4	52,057	52,289
Deferred management fee	3.4	47,337	45,334
Refundable occupation right agreements	3.4	997,190	879,578
Refundable occupation right agreements held for sale	3.4	7,585	47,092
Lease liabilities	3.5	11,205	4,798
Borrowings	4.4	640,518	553,589
Deferred tax liabilities	5.1	–	–
Total liabilities		**1,755,892**	**1,582,680**
Net assets		**1,026,456**	**962,260**
Equity			
Contributed equity	4.1	715,960	713,374
Retained deficit		(34,264)	(68,496)
Reserves		344,760	317,382
Total equity		**1,026,456**	**962,260**

The Board of Directors of the Company authorised these consolidated financial statements for issue on 24 May 2024.

For and on behalf of the Board

Elizabeth Coutts
Chair

Alan Isaac
Director

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2024

$NZ000's	Notes	Contributed equity	Retained deficit	Asset revaluation reserve	Cash flow hedge reserve	Total equity
Balance as at 31 March 2022		705,291	(54,735)	295,437	2,850	948,843
Profit for the year		–	15,448	–	–	15,448
Other comprehensive income						
Revaluation of cash flow hedge net of tax		–	–	–	1,503	1,503
Revaluation of assets net of tax	3.2, 5.1	–	–	17,592	–	17,592
Total comprehensive income		**–**	**15,448**	**17,592**	**1,503**	**34,543**
Transactions with owners						
Dividends paid	4.1	–	(29,889)	–	–	(29,889)
Share issue: dividend reinvestment scheme	4.1	8,083	–	–	–	8,083
Employee share scheme	4.1	–	680	–	–	680
Total transactions with owners		**8,083**	**(29,209)**	**–**	**–**	**(21,126)**
Balance as at 31 March 2023		**713,374**	**(68,496)**	**313,029**	**4,353**	**962,260**
Profit for the year		–	31,474	–	–	31,474
Other comprehensive income						
Revaluation of cash flow hedge net of tax		–	–	–	(2,154)	(2,154)
Revaluation of assets net of tax	3.2, 5.1	–	–	41,175	–	41,175
Transfer of assets net of tax		–	11,643	(11,643)	–	–
Total comprehensive income		**–**	**43,117**	**29,532**	**(2,154)**	**70,495**
Transactions with owners						
Dividends paid	4.1	–	(9,348)	–	–	(9,348)
Share issue: dividend reinvestment scheme	4.1	2,586	–	–	–	2,586
Employee share scheme	4.1	–	463	–	–	463
Total transactions with owners		**2,586**	**(8,885)**	**–**	**–**	**(6,299)**
Balance as at 31 March 2024		**715,960**	**(34,264)**	**342,561**	**2,199**	**1,026,456**

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

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2024

$NZ000's	Notes	March 24	March 23
Cash flows from operating activities			
Receipts from residents for village and care fees		207,911	196,601
Payments to suppliers and employees		(259,616)	(228,926)
Rental payments in relation to right of use investment property		–	(158)
Receipts from new occupation right agreements		226,313	178,842
Payments for outgoing occupation right agreements		(78,780)	(79,267)
Net goods and services tax received / (paid)		(3,654)	14,608
Receipts from insurance proceeds	1.3(iv)	8,670	1,113
Interest received		4,543	1,759
Interest paid		(19,570)	(13,921)
Interest paid in relation to lease liabilities		(443)	(445)
Net cash inflow from operating activities		**85,374**	**70,206**
Cash flows from investing activities			
Proceeds from sale and / or disposal of property, plant and equipment, investment property and held for sale assets		20,316	–
Payments for property, plant and equipment and intangible assets		(52,016)	(55,160)
Payments for investment property and investment property under development		(128,381)	(103,626)
Payments for assets held for sale		(1,168)	(942)
Payments for business assets	1.3(i)	–	(59,873)
Net cash outflow from investing activities		**(161,249)**	**(219,601)**
Cash flows from financing activities			
Proceeds from borrowings		138,674	228,161
Repayment of borrowings		(53,925)	(54,290)
Capitalised borrowing costs		–	(2,171)
Principal payments for lease liabilities		(2,065)	(2,805)
Dividends paid		(6,763)	(21,806)
Net cash inflow from financing activities		**75,921**	**147,089**
Net decrease in cash and cash equivalents		46	(2,306)
Cash and cash equivalents at the beginning of the year		7,439	9,745
Cash and cash equivalents at end of year		**7,485**	**7,439**

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

Consolidated Cash Flow Statement (continued)

FOR THE YEAR ENDED 31 MARCH 2024

$NZ000's	Notes	March 24	March 23
Profit for the year		**31,474**	**15,448**
Non cash items included in profit for the year			
Deferred management fees accrued but not settled	2.2	(56,595)	(70,206)
Depreciation (buildings and care suites)	2.4	12,794	11,363
Depreciation and amortisation (chattels, leasehold improvements and software)	2.4	6,192	6,561
Impairment of goodwill	2.4	555	2,347
Net loss on disposal of property, plant and equipment		670	3,171
Fair value adjustment to investment property	3.1	(60,779)	(19,497)
Fair value adjustment to right of use investment property and right of use land and building	3.5	-	1,431
Impairment of property, plant and equipment	3.2	9,269	6,531
Fair value adjustment to held for sale assets	3.3	5,088	(1,886)
Loss allowance for trade and other receivables	2.4	71	37
Interest accrued but not paid		(4,588)	(1,009)
Fair value movement on residents' share of resale gains	2.4	715	1,724
Fair value movement on cash flow hedges	5.6	4	(6)
Deferred tax benefit	5.1	(3,081)	(3,448)
Employee share scheme	4.3	463	680
Gain on purchase of business assets	1.3(i)	-	(543)
Other non cash items		1,001	962
		(88,221)	**(61,788)**
Cash items excluded from profit for the year			
Receipts from new occupation right agreements		226,313	178,842
Payments for outgoing occupation right agreements		(78,780)	(79,267)
		147,533	**99,575**
Increase in operating assets and liabilities			
Increase / (Decrease) in trade and other receivables		3,089	5,643
Increase in trade and other payables		(8,501)	11,328
Net cash inflow from operating activities		**85,374**	**70,206**

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2024

1. General Information

1.1 Basis of Preparation

(i) Entities Reporting

The consolidated financial statements of the Group are for the economic entity comprising Oceania Healthcare Limited (the "Company") and its subsidiaries (together "the Group"). Refer to note 5.5 for details of the Group structure.

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Oceania Healthcare Limited as at 31 March 2024 and the results of all subsidiaries for the year then ended.

The Group owns and operates various care centres and retirement villages throughout New Zealand. The Group's registered office is Level 26, HSBC Tower, 188 Quay Street, Auckland, 1010, New Zealand.

(ii) Statutory Base

Oceania Healthcare Limited is a limited liability company which is domiciled and incorporated 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 also listed on the NZX Main Board ("NZX") and the Australian Securities Exchange ("ASX") as a foreign exempt listing. The consolidated financial statements have been prepared in accordance with the requirements of the NZX and ASX listing rules, and Part 7 of the Financial Markets Conduct Act 2013.

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("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.

The consolidated financial statements have been prepared in accordance with the going concern basis of accounting, which assumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business as they come due into the foreseeable future.

The Consolidated Balance Sheet has been prepared using a liquidity format.

(iii) Measurement Basis

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and liabilities, including investment properties, certain classes of property, plant and equipment, right of use assets and derivatives.

(iv) Key Estimates and Judgements

The preparation of the consolidated financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise their judgement in the process of applying the Group's accounting policies.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

- Fair value of assets acquired in business combination (note 1.3(i))
- Classification of accommodation with a care or service offering (note 3)
- Fair value of investment property and investment property under development (note 3.1)
- Fair value of freehold land and buildings (note 3.2)
- Classification and fair value of held for sale facilities (note 3.3)
- Revenue recognition of deferred management fees (note 3.4)
- Fair value of right of use assets (note 3.5)
- Recognition of deferred tax (note 5.1)

1.2 Accounting Policies

(i) New Accounting Standards

No changes to accounting policies have been made during the year and the Group has not early adopted any standards, amendments or interpretations to existing standards that are not yet effective.

(ii) Measurement of Fair Value

The Group classifies its fair value measurement using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels.

Level 1: Quoted prices (unadjusted) in active markets for the identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amount of all financial assets and liabilities is considered to approximate their fair value.

1.3 Significant Events and Transactions

(i) Acquisitions

Remuera Rise and Bream Bay

On 6 May 2022 in the comparative period, a number of Sale and Purchase Agreements were entered into in relation to Remuera Rise and Bream Bay:

a. Oceania Village Company Limited and Oceania Care Company Limited entered into a Sale and Purchase Agreement with Remuera Rise Limited and Lifecare Residences NZ Limited to purchase the business assets in relation to Remuera Rise for a value of $38.1m subject to purchase price adjustments. Remuera Rise is an established village with 58 independent living apartments and 12 rest home beds. This transaction was settled on 1 July 2022 which is the date of acquisition.

b. Oceania Village Company Limited entered into a Sale and Purchase Agreement with Private Health Care (NZ) Limited and PGB Investments Limited to purchase the shares of Bream Bay Village Limited for a value of $21.9m. Bream Bay Village is an established village with 83 independent living villas, including the eight villas under construction at the time of acquisition. This transaction was settled on 1 July 2022 which is the date of acquisition.

Purchase consideration and fair value of net assets acquired

The purchase price was linked to the 31 March 2021 CBRE Limited valuation in respect of Remuera Rise and the 8 December 2021 Colliers valuation of Bream Bay Village Limited and both acquisitions were settled in cash. The acquisitions were accounted for using the acquisition method which requires that all identifiable assets and liabilities be assumed at their acquisition date fair value.

Contingent liabilities

No material contingent liabilities with respect to any of the above mentioned transactions were noted during the due diligence process or since acquisition.

Bream Bay option

On 6 May 2022 Oceania Village Company Limited entered into an option agreement with GNLC Limited to purchase 6.7 hectares of development land in Bream Bay, adjacent to Bream Bay Village. The agreement granted Oceania Village Company Limited the option to acquire this land for a purchase price of $8.4m plus GST. The option was exercised and settlement took place on 11 July 2023.

(ii) Disposal of leasehold interest

Everil Orr

The Group has previously leased the Everil Orr site and assumed the role of Operator of both Care and Village operations. On 3 March 2023, the Group entered into a Deed with Airedale Property Trust, the lessor of the Everil Orr leasehold facility to exit the Group from the Everil Orr site. As a result the care operations were closed on 21 March 2023 and the lease terminated on 31 March 2023. On 31 March 2023 the Group's operating interest in relation to village operations at Everil Orr, Mount Albert, Auckland met the definition of held for sale. An amount of $1.1m in respect of the purchase of the Group's operational interest was received in full on 3 April 2023.

Wesley

On 31 August 2023 the Group exited the Wesley Care Centre, Mt Eden, Auckland. The site was leased from the owner Airedale Property Trust and the lease was not extended beyond the expiry date.

(iii) Disposal of held for sale sites

On 25 March 2022 the Group entered into an agreement in respect of the previous Whareama site in Nelson. The sale completed on 8 December 2023 and proceeds of $8.4m were received.

On 9 May 2023 the Group entered into an agreement to sell the Amberwood and Greenvalley care sites in Auckland to a third party operator. The sale was completed on 29 August 2023 and an amount of $11.5m received resulting in a gain of $1.0m in the village segment on the held for sale value. This has been recognised in the Consolidated Statement of Comprehensive Income.

On 12 February 2024, the Group entered into a conditional agreement to sell the Takanini care site in Auckland to a third party operator. The sale was completed on 30 April 2024 and proceeds of $10.6m were received.

On 15 March 2024, the Group entered into a conditional agreement to sell the Middlepark care site in Christchurch to a third party operator. The sale was completed on 21 May 2024 and proceeds of $5.2m were received.

(iv) Weather Events: Auckland Floods and Cyclone Gabrielle

A number of significant weather events occurred in New Zealand during January and February 2023. The Group owns and operates a number of sites in the Auckland and Hawkes Bay regions which were impacted by these events. Agreement was reached with insurers on 16 May 2024 in relation to the Auckland Floods and Cyclone Gabrielle.

Accounting policy in relation to insurance proceeds

Insurance proceeds are accounted for as reimbursements under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Insurance income, and related assets are recognised when recovery is virtually certain.

The insurance proceeds and receivable in relation to these events have been included within the Consolidated Statement of Comprehensive Income and the Consolidated Balance Sheet.

1.3 Significant Events and Transactions (continued)

(iv) Weather Events: Auckland Floods and Cyclone Gabrielle (continued)

Material Damage

Amounts incurred in respect of remediation in the period to 31 March 2024 have been recognised as additions to the properties they relate. Affected properties have been valued by CBRE Limited as if the remediation has been completed and as such, an estimate of remaining costs to be incurred to fully remediate properties has been calculated based on third party quotations and assessments and has been recognised as a reduction to the property value as at 31 March 2024. Refer to notes 3.1 and 3.2 for impact on fair value.

Other

In addition to recovery of the expected remediation costs, the Group seeks recovery of additional costs. These costs include business interruption costs and lost gross profit associated with the Auckland and Hawkes Bay sites which were impacted by the weather events and remediation. An amount has been recognised which is equal to the amount agreed with insurers as recovery of these items. The full amount of lost gross profit has been recognised as revenue during the year. A portion of this revenue relates to lost gross profit in relation to future periods.

Income in relation to these items is recognised as other revenue when the costs are incurred, and it is virtually certain that these costs will be reimbursed. The assessment of whether recoverability of these costs is virtually certain is a key judgement of the Group.

1.4 Market Capitalisation

At balance date, the market capitalisation of the Group (being the 31 March 2024 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 90% of total assets at 31 March 2024 are property assets carried at fair value as assessed by CBRE Limited. Colliers Limited were also engaged to perform a review of the CBRE Limited valuation of certain sites in the portfolio comprising 43% of the total value of property assets. This review supported the CBRE Limited valuation.

2. Operating Performance

2.1 Operating Segments

The Group's chief operating decision maker is the Board of Directors.

The operating segments have been determined based on the information reviewed by the Board of Directors for the purposes of allocating resources and assessing performance. The assets and liabilities of the Group are reported to the chief operating decision maker in total not by operating segment.

The Group operates in New Zealand and comprises three segments; care operations, village operations and other.

Information regarding the operations of each reportable segment is included below. Amongst other criteria, performance is measured based on segmental underlying earnings before interest, tax, depreciation and amortisation ("EBITDA"), which is the most relevant measure in evaluating the performance of segments relative to other entities that operate within the aged care and retirement village industries.

Additional segmental reporting information

Capital expenditure: Refer to note 3 for details on capital expenditure.

Goodwill: Goodwill is allocated to care cash generating units.

What is Total Comprehensive Income?

Total comprehensive income is a measure of the total performance of all segments under NZ GAAP. It includes fair value movements relating to the Group's care centres and cash flow hedges.

	Care	Village	Other
Product	Includes traditional care beds and care suites.	Includes independent living and rental properties.	N/A
Services	The provision of accommodation, care and related services to Oceania's aged care residents. Includes the provision of services such as meals and care packages to independent living residents.	The provision of accommodation and related services to independent residents in the Group's retirement villages.	Provision of support services to the Group (includes administration, marketing and operations). In addition this segment includes the provision of training by the Wesley Institute of Nursing Education.
Recognition of Operating Revenue and Expenses	The Group derives Operating Revenue from the provision of care and accommodation. The daily fee is set annually by the Ministry of Health. In relation to the provision of superior accommodation above the Government specification the Group derives revenue from Premium Accommodation Charges ("PACs") or, in the case of care suites, through Deferred Management Fees ("DMF"). Operating Expenses primarily include staff costs, resident welfare expenses and overheads.	The Group derives Operating Revenue from weekly service fees and rental income. Operating Revenue also includes DMF accrued over the expected occupancy period for the relevant accommodation. Operating Expenses include village property maintenance, sales and marketing, and administration related expenses.	Includes corporate office and corporate expenses. Finance costs relate to the cost of bank debt. Income and expenditure relating to the Wesley Institute of Nursing Education is recognised in this segment.

2.1 Operating Segments (continued)

	Care	Village	Other
Recognition of Fair Value movements on New Developments	Fair value increases or decreases are recognised in other comprehensive income (i.e. not in profit or loss) for the fair value movement above historical cost. Impairments below historical cost are recognised in comprehensive income (i.e. profit or loss).	Fair value movements are recognised in comprehensive income (i.e. profit or loss).	N/A
Recognition of Fair Value movements on Existing Care Centres and Retirement Villages	Fair value movements are treated the same as above. When sites are decommissioned for development this results in an impairment of the buildings and chattels which is recognised in comprehensive income (i.e. profit or loss).	Fair value movements are recognised in comprehensive income (i.e. profit or loss).	N/A
Recognition in Underlying Profit (refer note 2.1 overleaf)	Fair value movements are removed.	Fair value movements are removed. Realised gains on resales and the development margins from the sale of independent living units and care suites are included, reflective of the ownership structure of the assets.	No material adjustments.
Asset Categorisation	Assets used, or, in the case of developments, to be used, in the provision of care are recognised as property, plant and equipment.	Assets used for village operations are recognised as investment property.	Corporate office assets are recognised as property, plant and equipment. Assets include intangibles (e.g. software).

March 2024 $NZ000's	Care Operations	Village Operations	Other	Total
Revenue	206,346	49,950	9,167	265,463
Change in fair value of investment property	–	60,779	–	60,779
Change in fair value of held for sale assets	–	–	–	–
Other income	1,810	2,611	201	4,622
Total income	**208,156**	**113,340**	**9,368**	**330,864**
Operating expenses	(186,288)	(37,027)	(33,384)	(256,699)
Impairment of goodwill	(555)	–	–	(555)
Impairment of property, plant and equipment	(9,269)	–	–	(9,269)
Impairment of held for sale assets	–	(5,088)	–	(5,088)
Segment EBITDA	**12,044**	**71,225**	**(24,016)**	**59,253**
Interest income	–	72	4,471	4,543
Finance costs	–	–	(16,417)	(16,417)
Depreciation (buildings and care suites)	(12,794)	–	–	(12,794)
Depreciation and amortisation (chattels, leasehold improvements and software)	(4,745)	–	(1,447)	(6,192)
(Loss) / Profit before income tax	**(5,495)**	**71,297**	**(37,409)**	**28,393**
Income tax (expense) / benefit	(17,069)	1,813	18,337	3,081
(Loss) / Profit for the year attributable to shareholders	**(22,564)**	**73,110**	**(19,072)**	**31,474**
Other comprehensive income				
Gain on revaluation of property, plant and equipment for the year, net of tax	41,175	–	–	41,175
Gain on cash flow hedges, net of tax	–	–	(2,154)	(2,154)
Total comprehensive income / (loss) for the year attributable to shareholders of the parent	**18,611**	**73,110**	**(21,226)**	**70,495**

2.1 Operating Segments (continued)

March 2023 $NZ000's	Care Operations	Village Operations	Other	Total
Revenue	194,520	48,490	4,168	247,178
Change in fair value of investment property	–	19,497	–	19,497
Change in fair value of Held for sale assets	–	1,886	–	1,886
Gain on purchase of business assets	–	543	–	543
Other income	1,326	13,771	10	15,107
Total income	**195,846**	**84,187**	**4,178**	**284,211**
Operating expenses	(174,607)	(29,185)	(27,630)	(231,422)
Impairment of goodwill	(1,766)	(581)	–	(2,347)
Impairment of property, plant and equipment	(6,531)	–	–	(6,531)
Impairment of right of use investment property	–	(1,431)	–	(1,431)
Segment EBITDA	**12,942**	**52,990**	**(23,452)**	**42,480**
Interest income	–	411	1,348	1,759
Finance costs	–	–	(14,315)	(14,315)
Depreciation (buildings and care suites)	(10,659)	–	(704)	(11,363)
Depreciation and amortisation (chattels, leasehold improvements and software)	(5,024)	–	(1,537)	(6,561)
(Loss) / Profit before income tax	**(2,741)**	**53,401**	**(38,660)**	**12,000**
Income tax benefit / (expense)	2,751	(18,625)	19,322	3,448
Profit / (Loss) for the year attributable to shareholders	**10**	**34,776**	**(19,338)**	**15,448**
Other comprehensive income				
Gain on revaluation of property, plant and equipment for the year, net of tax	17,592	–	–	17,592
Gain on revaluation of right of use asset for the year, net of tax	–	–	–	–
Gain on cash flow hedges, net of tax	–	–	1,503	1,503
Total comprehensive income /(loss) for the year attributable to shareholders of the parent	**17,602**	**34,776**	**(17,835)**	**34,543**

Underlying net profit after tax ("Underlying Profit")

Underlying Profit and Underlying EBITDA are non-GAAP measures of financial performance and considered in the determination of dividends. The calculation of Underlying Profit and Underlying EBITDA requires a number of estimates to be approved by the Directors in their preparation. Both the methodology and the estimates may differ among companies in the retirement village sector. Underlying Profit and Underlying EBITDA do not represent cash flow generated during the year.

The Group calculates Underlying Profit and Underlying EBITDA by making the following adjustments to reported Net Profit after Tax:

	Total comprehensive income / (loss) for the year attributable to shareholders of the parent
Remove	Fair value adjustments for investment property assets, property, plant and equipment, held for sale assets and cashflow hedges.
Add back	Impairment of goodwill
Add back	Rental expenditure in relation to right of use investment property assets
Add back / remove	Loss / gain on sale, decommissioning or purchase of assets and business assets including associated costs
Add back	Depreciation (care suites)
Remove	Insurance income recognised in relation to material damage due to adverse weather events
Add back	Directors' estimate of realised gains on the resale of units and care suites sold under an ORA
Add back	Directors' estimate of realised development margin on the first sale of new ORA units or care suites following the development of an ORA unit or care suite, conversion of an existing care bed to a care suite or conversion of a rental unit to an ORA unit
Add back	Deferred taxation component of taxation expense so that only the current tax expense is reflected
=	**Underlying Profit**
Remove	Interest income
Add back	Finance costs (including lease interest under NZ IFRS 16 Leases but excluding hedge ineffectiveness)
Add back	Depreciation and amortisation (including right of use and property, plant and equipment)
Add back	Current tax expense
=	**Underlying EBITDA**

2.1 Operating Segments (continued)

Resale gain – Underlying Profit

The Directors' estimate of realised gains on resales of ORA units and care suites (i.e. the difference between the incoming resident's ORA licence payment and the ORA licence payment previously received from the outgoing resident) is calculated as the net cash flow received, and receivable at the point that the ORA contract becomes unconditional and has either "cooled off" (the contractual period in which the resident can cancel the contract) or where the resident is in occupation at balance date.

Development margin – Underlying Profit

The Directors' estimate of realised development margin is calculated as the ORA licence payment received, and receivable, in relation to the first sale of new ORA units and care suites, at the point that the ORA contract becomes unconditional and has either "cooled off" or where the resident is in occupation at balance date, less the development costs associated with developing the ORA units and care suites. Where the development has been acquired in a business combination the development costs are equal to the purchase price.

The Directors' estimate of realised development margin for conversions is calculated based on the difference between the ORA licence payment received, and receivable, in relation to sales of newly converted ORA units and care suites, at the point that the ORA contract becomes unconditional and has either "cooled off" or where the resident is in occupation at balance date, and the associated conversion costs.

The table below describes the composition of development and conversion costs.

Included	**New builds:** • the construction costs directly attributable to the relevant project, including any required infrastructure (e.g. roads) and amenities related to the units (e.g. landscaping) as well as any demolition and site preparation costs associated with the project. The costs are apportioned between the ORA units and care suites, in aggregate, using estimates provided by the project quantity surveyor. The construction costs for the individual ORA units or care suites sold are determined on a prorated basis using gross floor areas of the ORA units and care suites; • an apportionment of land value based on the gross floor area of the ORA units and care suites developed. The value for Brownfield[1] development land is the estimated fair value of land at the time a change of use occurred[2] (from operating as a care centre or retirement village to a development site), as assessed by an external independent valuer. Greenfield[3] development land is valued at historical cost; and • capitalised interest costs to the date of project completion apportioned using the gross floor area of ORA units and care suites developed. **Conversions:** • of care beds to care suites - the actual refurbishment costs incurred; and • of rental units to ORA units - the actual refurbishment costs incurred and the fair value of the rental unit prior to conversion.
Excluded	• Construction, land (apportioned on a gross floor area basis) and interest costs associated with common areas and amenities or any operational or administrative areas.

1 Brownfield land refers to land previously utilised by, or part of, an operational aged care centre or retirement village.
2 The timing of a change of use is a Directors' estimate. It is based on a range of factors including evidence of steps taken to secure a resource consent and/or building consent for a particular development or stage of a development and the decommissioning of existing operations (either through the buy-back of existing village ORA units or decommissioning of an existing care centre). Note the cost of buybacks is not included in the development cost as an independent fair value of the land on an unencumbered basis is used as the value ascribed to the development land.
3 Greenfield land refers to land not previously utilised by, or as part of, an operational aged care centre or retirement village. Greenfield land is typically bare (undeveloped) land at the time of purchase.

2.1 Operating Segments (continued)

March 2024 $NZ000's	Care Operations	Village Operations	Other	Total
Total comprehensive income / (loss) for the year attributable to shareholders of the parent	**18,611**	**73,110**	**(21,226)**	**70,495**
Adjusted for Underlying Profit items				
Less: Fair value adjustments for investment property assets, property, plant and equipment, held for sale assets and cashflow hedges[1]	(31,906)	(55,692)	2,154	(85,444)
Add: Impairment of goodwill	555	–	–	555
Add: Loss on sale of business assets including associated costs	–	678	–	678
Add: Depreciation (care suites)	10,344	–	–	10,344
Less: Gain on purchase of business assets including associated costs	–	252	–	252
Add: Change in estimate of impairment in relation to weather event	–	419	–	419
Add: Realised resale gain	–	32,472	–	32,472
Add: Realised development margin	–	35,401	–	35,401
Underlying net profit before tax	**(2,396)**	**86,640**	**(19,072)**	**65,172**
Less: Deferred tax benefit / (expense)	17,069	(1,813)	(18,337)	(3,081)
Underlying net profit after tax	**14,673**	**84,827**	**(37,409)**	**62,091**
Less: Interest income	–	(72)	(4,471)	(4,543)
Add: Finance costs (excluding hedge ineffectiveness)	–	–	16,417	16,417
Add: Depreciation (buildings)	2,450	–	–	2,450
Add: Depreciation and amortisation (chattels, leasehold improvements and software)	4,745	–	1,447	6,192
Underlying EBITDA[2]	**21,868**	**84,755**	**(24,016)**	**82,607**

March 2023 $NZ000's	Care Operations	Village Operations	Other	Total
Total comprehensive income / (loss) for the year attributable to shareholders of the parent	17,602	34,776	(17,835)	34,543
Adjusted for Underlying Profit items				
Less: Fair value adjustments for investment property assets, property, plant and equipment, held for sale assets and cashflow hedges	(11,061)	(19,952)	(1,503)	(32,516)
Add: Impairment of goodwill	1,766	581	–	2,347
Add: Rental expenditure in relation to right of use asset	–	158	–	158
Add: Depreciation (care suites)	9,040	–	–	9,040
Less: Gain on purchase of business assets including associated costs	(735)	(147)	–	(882)
Less: Insurance income in relation to material damage due to weather events	–	(10,022)	–	(10,022)
Add: Realised resale gain	–	26,992	–	26,992
Add: Realised development margin	–	32,363	–	32,363
Underlying net profit before tax	**16,612**	**64,749**	**(19,338)**	**62,023**
Less: Deferred tax (expense) / benefit	(2,751)	18,625	(19,322)	(3,448)
Underlying net profit after tax	**13,861**	**83,374**	**(38,660)**	**58,575**
Less: Interest income	–	(411)	(1,348)	(1,759)
Add: Finance costs (excluding hedge ineffectiveness)	–	–	14,315	14,315
Add: Depreciation (buildings)	1,619	–	704	2,323
Add: Depreciation and amortisation (chattels, leasehold improvements and software)	5,024	–	1,537	6,561
Underlying EBITDA	**20,504**	**82,963**	**(23,452)**	**80,015**

1 Includes adjustment for material damage insurance in relation to affected properties.
2 Included in Village Operations remains an amount of $2.0m in relation to other insurance income. This insurance income relates to compensation for business interruption costs and lost gross profits incurred prior to 31 March 2024.

2.2 Revenue

How we earn revenue

Care	Village	Other
Daily care fees for long term and short term rest home, hospital and dementia residents	Deferred management fees – independent living	Training income
Premium accommodation charges	Village service fees – independent living	Interest income
Deferred management fees – care suites	Rental income – residents without a long term occupation right agreement	

Accounting Policy

Revenue 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.

Rest Home and Hospital Service Fees

A contract is in place with all care residents by means of an admission agreement. The resident receives the benefit as the care is administered and each resident incurs a contracted daily care fee. Rest home and hospital service fees are recognised at the point in time the services are rendered which is specifically linked to the day the service is delivered. Where applicable these are recognised net of any associated rebates to residents.

Aged care subsidies received from the Ministry of Health, included in rest home, hospital and dementia fee revenue within the care segment, for the year ended March 2024 amounted to $113.9m (March 2023: $110.7m).

Premium Accommodation Charges

Premium accommodation charges are payable by residents who occupy a premium room above the level specified by the Government. The charge is included in their admission agreement and the charge is recognised when the accommodation is provided.

Deferred Management Fees

Deferred management fees are considered leases and are payable by residents of the Group's units, apartments and care suites under the terms of their ORA or unit title rights. Refer to note 3.4.

Management fees are typically payable on termination of the ORA up to a maximum percentage of a resident's occupation licence or unit title rights deposit for the right to share in the use and enjoyment of common facilities.

The timing of the recognition of deferred management fees is a critical accounting estimate and judgement. The deferred management fee is recognised on a straight line basis over the longer of the term specified in a resident's ORA or the average expected occupancy. The expected periods of occupancy are based on historical Group averages, for the relevant accommodation they are estimated to be 7 years for units and premium apartments, 5 years for apartments and 3 years for care suites from the date of occupation. Estimates of deferred management fee tenure are reviewed periodically. Where a change is made, it is the Group's policy to recognise the aggregate impact of this change in the period in which the change in estimate occurs.

Village Service Fees

Village service fees are charged to residents to recover a portion of village operating costs associated with services provided including staff wages, rates, and electricity. An ORA is in place with all village residents who receive the benefit of services throughout their stay. Village service fees are recognised over time as services are rendered.

Training Income

Training income is received from students attending short term training courses at the Wesley Institute of Nursing Education. Income is recognised when the course is provided.

Rental Income

Rental agreements are in place with all rental residents and set out the relevant weekly / monthly rental fee. The resident receives the benefit throughout their stay and revenue is recognised as it is earned.

$NZ000's	March 24	March 23
Rest home, hospital, dementia fees	183,806	173,243
Premium accommodation charge	6,370	5,490
Deferred management fees – independent living	38,639	36,666
Deferred management fees – care suites	16,187	14,861
Deferred management fees – leased site	-	2,301
Village service fees	9,741	8,939
Training income	9,155	4,127
Rental income	493	608
Other services provided to residents	1,072	943
	265,463	**247,178**

2.3 Other Income

Interest Income

Interest income is recognised on an accruals basis using the effective interest method.

Insurance Income

Insurance income in relation to recent weather events is recognised as per note 1.3(iv).

Other Income

Other income includes administration and legal income derived from the settlement of ORAs.

$NZ000's	March 24	March 23
Interest income	4,543	1,759
Insurance income	2,690	12,025
Change in fair value of ineffective cash flow hedges	-	6
Gain on modification/disposal of property, plant and equipment	-	740
Other income	1,932	2,336
	9,165	**16,866**

2.4 Expenses

Accounting Policy

All operating expenses are recognised on an accrual basis.

$NZ000's	Notes	March 24	March 23
Profit before income tax includes the following expenses:			
Employee benefits and other staff costs			
Wages and salaries		174,043	160,007
Termination benefits		373	470
Employee share scheme expense	4.3	277	606
Other staff costs[1]		4,093	3,400
		178,786	**164,483**
Depreciation and amortisation			
Depreciation of buildings	3.2	1,570	1,791
Depreciation of care suites	3.2	10,344	9,040
Depreciation of right of use assets (buildings)	3.5	880	532
Depreciation of chattels	3.2	4,406	4,354
Depreciation of right of use assets (chattels)	3.5	1,229	1,553
Amortisation of software	5.2	557	654
		18,986	**17,924**
Finance costs			
Interest on senior debt facilities		27,876	13,680
Interest on Retail Bond		6,175	6,175
Agency, commitment and line fees		4,528	4,246
Interest rate swaps		-	155
Capitalised interest and line fees		(23,757)	(11,356)
Amortisation of bank fees		988	952
Bank interest		160	18
Interest on lease liabilities		443	445
Change in fair value of ineffective cash flow hedges		4	-
		16,417	**14,315**
Impairment of property, plant and equipment	3.2	**9,269**	**6,531**
Change in fair value of held for sale assets	3.3	**5,088**	**-**
Impairment of right of use investment property		**-**	**1,431**
Rental expenditure in relation to right of use investment property		**-**	**158**
Impairment of goodwill	5.2	**555**	**2,347**

1 Other staff costs include costs such as staff training, uniforms and recruitment.

2.4 Expenses (continued)

$NZ000's	Notes	March 24	March 23
Other expenses			
Audit fees[1]			
Audit and review of consolidated financial statements		588	647
Other assurance services – Trustee reporting		7	7
Other services – agreed upon procedures in respect of proxy voting at the Annual Shareholder Meeting[2]		9	8
Other non assurance services provided by auditor[3]		19	–
Other assurance services related to climate related reporting requirements		93	17
Total fees paid to auditor[1]		**716**	**679**
Repairs and maintenance of property, plant and equipment including leasehold care centres		3,643	3,486
Repairs and maintenance of investment property including leasehold investment property		3,125	1,855
Loss on disposal of property, plant and equipment		683	–
Donations		31	13
Loss allowance for trade and other receivables	5.3	71	37
Resident consumables		19,242	18,265
Movement of residents' share of resale gains		715	1,724
Insurance		6,417	4,981
Legal and professional services		4,658	4,390
Other expenses (no items of individual significance)		38,612	31,351
		77,913	**66,781**
Total Expenses		**307,014**	**273,970**

1 Auditor for the year ended 31 March 2024: Ernst & Young (31 March 2023: PricewaterhouseCoopers).
2 Paid to previous auditors.
3 Non audit fees in relation to remuneration benchmarking services.

3. Property Assets

The Group operates care centres and retirement villages. As outlined in section 2.1, village sites are typically investment property and care sites are typically property, plant and equipment.

What is Investment Property?

Land and buildings are classified as investment property when they are held to generate revenue either through capital appreciation or through rental income.

As residents occupying our retirement villages live independently, the level of services provided is seen as secondary to the provision of accommodation. Accordingly, these buildings are classified as investment property as they are held primarily to generate DMF income.

What is Property, Plant and Equipment?

Land, buildings and chattels are classified as property, plant and equipment when they are used to generate revenue through the provision of goods and services or for administration purposes.

As residents occupying our care centres, including care suites, require services including nursing care, meals and laundry the buildings in which they live are considered to be operated by the Group to generate this revenue and are classified as property, plant and equipment.

What is a Care Suite?

Care suites are a premium offering for a resident requiring rest home or hospital level care. The care suite is located within a care centre. Rather than pay a daily premium accommodation charge for the provision of the premium room the residents enter into an ORA with a net management fee.

What is Held for Sale?

Assets are classified as held for sale when the carrying amount will be recovered principally through a sale transaction rather than through continuing use.

3. Property Assets (continued)

Classification of Serviced Apartments and Care Suites

Where services are provided to residents who occupy accommodation under an ORA, it is the Group's policy to assess their level of significance in the context of the overall income derived from the serviced apartment or care suite in ascertaining whether the serviced apartment or care suite is freehold land and buildings (referred to as property, plant and equipment) or investment property.

The Group applies the following principles when ascertaining the appropriate accounting treatment to be applied:

	Investment Property Village Assets		Property, Plant and Equipment Care Assets		
CLASSIFICATION	Independent living (villa or apartment)	Serviced apartment	Care suite	Traditional care bed	Private care
SCENARIO	Additional services are optional.	Services are compulsory but an insignificant portion of total revenue from the unit.	Services are compulsory and a significant portion of the total revenue from the unit.	Full ARRC[1] funded care is compulsory for that unit/bed.	Operating outside the ARRC[1] with services set by the operator.
CONSIDERATION OF SIGNIFICANCE OF CASH FLOWS	Qualitatively the business model is the provision of retirement accommodation.	Quantitatively insignificant (a guideline of under 20% of total revenue is adopted) and qualitatively the business model is the provision of retirement accommodation.	Quantitatively significant. Qualitatively the business model is the provision of care.	Qualitatively the business model is the provision of care. Quantitative assessment not relevant as price of accommodation does not change overall purpose of the accommodation.	Qualitatively the business model is the provision of care. Quantitative assessment not relevant as price of accommodation does not change overall purpose of the accommodation.

1 ARRC refers to age-related residential care.

3.1 Village Assets: Investment Property

Accounting Policy

Investment property includes both freehold land and buildings and land and buildings under development, comprising independent units, serviced apartments and common facilities, provided for use by residents under the terms of an ORA. Investment property is held for long-term yields and is not occupied by the Group. Investment property is held at fair value.

The fair value of investment property is determined by the Directors having taken into consideration the valuation conducted by CBRE Limited (March 2023: CBRE Limited and Collier Limited) as independent registered valuers and the cost of work undertaken in relation to investment property under development.

The movement in the carrying value of investment property, net of additions, transfers and disposals is recognised as a fair value movement in the Consolidated Statement of Comprehensive Income.

Fair value measurement on investment property under development is only applied if the fair value is considered to be reliably measurable. Where the fair value of a property under development can be determined, it is carried at fair value. Where the fair value of investment property under development cannot be reliably determined, the carrying amount is considered to be the fair value of the land plus the cost of work undertaken.

3.1 Village Assets: Investment Property (continued)

$NZ000's	Notes	March 24	March 23
Investment property under development at fair value			
Opening balance		141,738	173,899
Impact of change to GST taxable supplies[1]		(1,500)	(4,397)
Capitalised expenditure (including land acquisitions)		61,539	92,788
Capitalised interest and line fees		13,626	2,301
Transfer to completed investment property		(27,475)	(150,871)
Transfer to held for sale	3.3	–	(5,714)
Change in fair value during the year		(5,960)	33,732
Closing balance		**181,968**	**141,738**
Completed investment property at fair value			
Opening balance		1,455,983	1,204,653
Acquisition	1.3(i)	–	138,010
Impact of change to GST taxable supplies		(1,372)	(4,080)
Transfer from investment property under development		27,475	150,871
Transfer to property, plant and equipment	3.2	80	(1,552)
Transfer to held for sale	3.3	21,608	(29,119)
Capitalised expenditure		60,003	5,437
Capitalised interest and line fees		2,903	5,998
Impairment as a result of weather events		–	(8,917)
Change in fair value during the year - villages		66,739	(5,318)
Closing balance		**1,633,419**	**1,455,983**
Total investment property		**1,815,387**	**1,597,721**

Change in Fair Value Recognised in the Consolidated Statement of Comprehensive Income

$NZ000's	March 24	March 23
Increase in fair value of investment property	217,665	219,169
Add / (Less): Transfers to property, plant and equipment, right of use assets and held for sale during the year	(21,688)	36,385
Less: Capitalised expenditure including capitalised interest	(135,198)	(98,047)
Less: Resident obligations on acquisition	–	(138,010)
Change in fair value recognised in Consolidated Statement of Comprehensive Income	**60,779**	**19,497**

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

$NZ000's	March 24	March 23
Investment Property under development		
Valuation	181,968	141,738
	181,968	141,738
Completed Investment Property		
Valuation	812,698	744,733
Add: Refundable occupation licence payments	1,003,945	884,890
Add: Residents' share of resale gains	5,730	5,920
Less: Management fee receivable	(170,638)	(147,278)
Less: Resident obligations for units not included in valuation	(18,316)	(32,282)
	1,633,419	**1,455,983**
Total investment property at fair value	**1,815,387**	**1,597,721**

1 Relates to GST claimed on land purchased in a prior period subject to a change in use adjustment in the current period.

3.1 Village Assets: Investment Property (continued)

Where an incoming resident has an unconditional ORA in respect of a retirement village unit and the corresponding outgoing resident for that same accommodation has not yet been refunded, the independent valuation is adjusted for the incoming resident balances only. In certain circumstances accommodation under an ORA is valued as development land. In these situations the independent valuation is not adjusted for the refundable amounts and consequently no offsetting "gross up" is required. An adjustment of $18.3m (March 2023: $32.3m) is included in the above reconciliation to reflect this.

The valuation of investment property is adjusted for cash flows relating to refundable occupation licence payments, residents' share of resale gains and management fee receivable recognised separately on the Consolidated Balance Sheet and also reflected in the valuation model.

Why do we adjust for the liability to residents?

In the external valuation the fair value of investment property includes an allowance for the amount that is payable by the Group to residents already in occupation within the property. However, this liability to existing residents is recognised in the Group's Consolidated Balance Sheet (referred to as refundable occupation right agreements – refer to note 3.4). Accordingly, the Group adds this net liability to residents to the external valuation to "gross up" the fair value of investment property and avoid double counting the liability to residents.

Valuation Process and Key Inputs

Investment Property under Development

CBRE Limited provided valuations of development land in respect of investment property under development as at 31 March 2024.

The fair value of investment property is determined by the Directors having taken into consideration the valuation conducted by the external valuers as independent registered valuers and the cost of work undertaken in relation to investment property under development.

The Group has applied the following methodology in relation to the measurement of investment property under development:

Practical completion not achieved

Where the development still requires substantial work such that practical completion is not going to be achieved, and a reliable estimate of fair value cannot be made, at or close to balance date, the fair value recognised is the fair value of the development land per the Directors' valuation plus the cost of any work in progress. An amount of $85.9m as at 31 March 2024 (March 2023: $53.1m) has been recognised in relation to these development sites.

Where an individual development is of both investment property and freehold buildings in nature, the fair value of land and work in progress is apportioned between investment property under development and freehold land and buildings under development, by applying the estimated gross floor area for these respective areas of the development based on information obtained from the project quantity surveyors at the planning and design stages.

Practical completion achieved

Where a development is practically completed, or likely to be completed at, or close to, balance date the investment property is measured at its completed fair value per the Directors' valuation with an adjustment made for any estimated costs, in accordance with the project budget, to be incurred to complete the development, and is then transferred to completed investment property.

Completed Investment Property

As required by NZ IAS 40 Investment Property, 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 Balance Sheet and also reflected in the valuation model.

The Group's interest in all completed investment property was valued on 31 March 2024 by CBRE Limited (March 2023: CBRE Limited and Colliers Limited,) at a total of $812.7m (March 2023: $744.7m).

Property Specific Assumptions

Seismic Assessments

The external valuations, and accordingly the fair value of investment property, incorporates an allowance in relation to remediation to properties where seismic strength testing has been carried out.

Weather Events: Auckland Floods and Cyclone Gabrielle

The fair value of completed investment property has been adjusted downwards for the cost of future works to be undertaken to remediate damage caused by the Auckland Floods, an amount of $5.2m. (March 2023: $7.7m on damage caused by the Auckland floods and Cyclone Gabrielle).

Key Accounting Estimates and Judgements

All investment properties have been determined to be Level 3 (March 2023: Level 3) in the fair value 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 development land is the value per m2 assumption. Increases in the value per m2 rate result in the corresponding increases in the total valuation.

The significant unobservable inputs used in the fair value measurement of the Group's portfolio of completed investment property are the discount rate and property price growth rate. There are no interdependencies or interplays between unobservable inputs.

3.1 Village Assets: Investment Property (continued)

The following assumptions have been used to determine fair value:

Significant Input	Description	2024	2023
Discount rate	The pre-tax discount rate	14.0% – 20.0 % (median: 14.9 %)	14.0% – 20.0% (median: 15.0%)
Property price growth rate	Anticipated annual property price growth over the cash flow period 0–4 years	0.5 % - 3.0 %	0.0% – 3.0%
Property price growth rate	Anticipated annual property price growth over the cash flow period 5+ years	2.5% – 3.5%	2.5% – 3.5%

Sensitivities

At 31 March 2024	Adopted Value	Discount Rate +0.5%	Discount Rate -0.5%	Property Growth Rate +50 bp	Property Growth Rate -50 bp
Completed investment property					
Valuation $NZ000's	812,698				
Difference $NZ000's		(26,456)	28,461	48,359	(45,872)
Difference %		(3.3%)	3.5%	6.0%	(5.6%)

At 31 March 2023	Adopted Value	Discount Rate +0.5%	Discount Rate -0.5%	Property Growth Rate +50 bp	Property Growth Rate -50 bp
Completed investment property					
Valuation $NZ000's	744,733				
Difference $NZ000's		(24,447)	26,541	43,075	(20,216)
Difference %		(3.3%)	3.6%	5.8%	(5.4%)

The stabilised occupancy period is a key driver of the CBRE Limited valuation. A significant increase / (decrease) in the occupancy period would result in a significantly lower/ (higher) fair value measurement.

Significant Input	2024	2023
Stabilised Occupancy Period	2.8 yrs – 9.0 yrs (median: 7.4 yrs)	2.5yrs – 8.9yrs (median: 7.3yrs)

Current ingoing price, for subsequent resales of ORAs, is a key driver of the 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 Care Assets: Property, Plant and Equipment

Accounting Policy

Property, plant and equipment comprises owner-occupied freehold land and buildings and plant and equipment operated by the Group for the provision of care services, care suites and land and buildings that are to be developed into care centres in the future.

Following initial recognition at cost, completed owner occupied freehold land and buildings and land and buildings under development are carried at fair value. Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the assets' fair value at balance date. Any depreciation at the date of valuation is deducted from the gross carrying value of the asset, and the net amount is restated to the revalued amount of the asset. In periods where no valuation is carried out, the asset is carried at its revalued amount plus any additions, less any impairment and less any depreciation incurred since the date of the last valuation.

All other plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

In relation to land and buildings under development, fair value is determined by the Directors having taken into consideration the valuation conducted by CBRE Limited as an independent registered valuer and the cost of work undertaken.

A property under construction is classified as land and buildings within property, plant and equipment where the completed development will be classified as such and as investment property where the completed development will be classified as an investment property. Fair value measurement on property under construction is only applied if the fair value is reliably measurable. Where the fair value of property under construction cannot be reliably determined the value is the fair value of the land plus the cost of work undertaken. Property under construction classified as land and buildings under development is revalued annually and is not depreciated.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed to the Consolidated Statement of Comprehensive Income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings above cost are credited to the asset revaluation reserve in other comprehensive income; increases that offset previous decreases taken through profit or loss are recognised in profit or loss. Decreases that offset previous increases of the same asset are charged against the asset revaluation reserve in other comprehensive income; all other decreases are charged to profit or loss. When revalued assets are sold, or held for sale, the amounts included in the reserve are transferred to retained earnings.

3.2 Care Assets: Property, Plant and Equipment (continued)

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Category	Useful Life Range	Weighted Average Depreciation Rate
Freehold buildings	10 – 50 years	2.4%
Chattels and leasehold improvements	2 – 50 years	20%
Motor vehicles	5 years	22%

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.

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.

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 Consolidated Statement of Comprehensive Income.

$NZ000's	Notes	Freehold Land and Buildings Under Development	Freehold Land	Freehold Buildings	Chattels and Leasehold Improvements	Total
Year ended 31 March 2024						
Opening net book amount		89,098	109,071	496,448	17,552	712,169
Additions		33,509	–	8,247	10,130	51,886
Impact of change to GST taxable supplies[1]		(280)	–	–	–	(280)
Capitalised interest and line fees		6,015	–	1,213	–	7,228
Disposals		–	–	–	(1,299)	(1,299)
Depreciation		–	–	(11,914)	(4,406)	(16,320)
Transfer from investment property	3.1	–	–	(80)	–	(80)
Transfer from intangible assets	3.1	–	–	–	363	363
Transfer to held for sale	3.3	–	(4,895)	(12,834)	(885)	(18,614)
Reclassification within Property, Plant and Equipment		(45,391)	–	45,391	–	–
Revaluation surplus						
Change in fair value recognised in comprehensive income		(3,922)	280	(5,627)	–	(9,269)
Change in fair value recognised in other comprehensive income[2]		(421)	11,655	33,859	–	45,093
Closing net book amount		**78,608**	**116,111**	**554,703**	**21,455**	**770,877**
At 31 March 2024						
Cost		–	–	–	54,896	54,896
Valuation		78,608	116,111	554,703	–	749,422
Accumulated depreciation		–	–	–	(33,441)	(33,441)
Net book amount		**78,608**	**116,111**	**554,703**	**21,455**	**770,877**

1 Relates to GST claimed on land purchased in a prior period subject to a change in use adjustment in the current period.
2 The revaluation noted in the Statement of Comprehensive Income differs from the above due to deferred tax, refer note 5.1.

3.2 Care Assets: Property, Plant and Equipment (continued)

$NZ000's	Notes	Freehold Land and Buildings Under Development	Freehold Land	Freehold Buildings	Chattels and Leasehold Improvements	Total
Year ended 31 March 2023						
Opening net book amount		105,150	113,031	448,426	19,985	686,592
Additions		45,340	1,000	5,345	3,442	55,127
Impact of change to GST taxable supplies[1]		(894)	–	–	–	(894)
Capitalised interest and line fees		2,680	–	381	–	3,061
Disposals		–	–	–	(2)	(2)
Depreciation		–	–	(10,831)	(4,354)	(15,185)
Transfer from investment property	3.1	–	–	1,552	–	1,552
Transfer to held for sale		(1,319)	(14,740)	(14,418)	(1,519)	(31,996)
Reclassification within Property, Plant and Equipment		(58,452)	16,035	42,417	–	–
Revaluation surplus						
Impairment as a result of weather events		–	–	(1,943)	–	(1,943)
Change in fair value recognised in comprehensive income		(2,189)	(640)	(1,759)	–	(4,588)
Change in fair value recognised in other comprehensive income[2]		(1,218)	(5,615)	27,278	–	20,445
Closing net book amount		**89,098**	**109,071**	**496,448**	**17,552**	**712,169**
At 31 March 2023						
Cost		–	–	–	54,548	54,548
Valuation		89,098	109,071	496,448	–	694,617
Accumulated depreciation		–	–	–	(36,996)	(36,996)
Net book amount		**89,098**	**109,071**	**496,448**	**17,552**	**712,169**

1 Relates to GST claimed on land purchased in a prior period subject to a change in use adjustment in the current period.
2 The revaluation noted in the Statement of Comprehensive Income differs from the above due to deferred tax, refer note 5.1.

Land and Buildings Under Development

A valuation in respect of development land was provided by CBRE Limited as at 31 March 2024.

Any costs incurred to 31 March 2024 on the developments are included in arriving at the fair value as at 31 March 2024.

The Group has applied the following methodology in relation to the measurement of land and buildings under development:

Practical completion not achieved

Where the development still requires substantial work such that practical completion is not going to be achieved, and a reliable estimate of fair value cannot be made, at or close to balance date, the fair value recognised is the fair value of the development land per the Directors' valuation plus the cost of any work in progress. An amount of $61.4m as at 31 March 2024 (March 2023: $63.9m) has been recognised in relation to these development sites.

Where an individual development is of both investment property and freehold buildings in nature, the fair value of land and work in progress is apportioned between investment property under development and freehold land and buildings under development, by applying the estimated gross floor area for these respective areas of the development based on information obtained from the project quantity surveyors at the planning and design stages.

Practical completion achieved

Where a development is practically completed, or likely to be completed at, or close to, balance date the land and buildings are measured at its completed fair value per the Directors' valuation with an adjustment made for any estimated costs, in accordance with the project budget, to be incurred to complete the development, and is then transferred to completed land and buildings.

Completed Land and Buildings

A valuation in respect of completed land and buildings was provided by CBRE Limited as at 31 March 2024.

The valuation of the Group's care centres was apportioned to land, buildings, chattels and goodwill. The fair value of land and buildings as calculated by CBRE Limited is based on the level of rent able to be generated from the maintainable net cash flow of the site subject to average efficient management. The fair value of the Group's land and buildings as determined by the Directors is based on these apportionments. However, chattels are carried at historic cost less depreciation and the amount apportioned to goodwill by CBRE Limited is not recorded in the consolidated financial statements.

Care Suites and Serviced Apartments

As discussed earlier in note 3, where services are provided to residents who occupy accommodation under an ORA, it is the Group's policy to look at the significance of these services in the context of the overall revenue derived from the care suite or serviced apartment in ascertaining whether the care suite or serviced apartment is property, plant and equipment or investment property. Care suite residents occupying accommodation under an ORA receive a significant level of services. Hence, they are included in property, plant and equipment. Care suite land and buildings are held at fair value.

3.2 Care Assets: Property, Plant and Equipment (continued)

Property Specific Assumptions

Weather Events: Auckland Floods and Cyclone Gabrielle

No adjustments are required in the current reporting period. In the prior reporting period, the fair value of completed freehold buildings has been adjusted downwards for the cost of future works to be undertaken to remediate damage caused by the Auckland Floods and Cyclone Gabrielle, an amount of $1.9m.

Key Accounting Estimates and Judgements

All land and buildings have been determined to be Level 3 (March 2023: Level 3) in the fair value hierarchy as the fair value is determined using inputs that are unobservable.

Critical Judgements and Estimates in Applying Accounting Policies

Classification of Care Suites

An area of significant judgement is determining the classification of those properties which are operated as care suites. Refer note 3 for further information.

Valuation of Freehold Land and Buildings

The valuation approach for the freehold land and buildings as at 31 March 2024 was an income capitalisation approach and/or discounted cash flow analysis supplemented by the direct comparison approach. The valuation is determined by the capitalisation of net cash flow profit/ earnings before interest, tax, depreciation, amortisation and rent ("EBITDAR") under the assumption a positive cash flow will be generated into perpetuity. Capitalisation rates used for the 31 March 2024 valuation range from 12.25% to 17. 5 % with a median value of 13.63% (March 2023: 11.25% to 16.25% with a median value of 13.63%). The valuation was apportioned between land, buildings, chattels / plant and equipment and goodwill to determine the fair value of the assets.

The significant unobservable input used in the fair value measurement of the Group's development land is the value per m2 assumption. Increases in the value per m2 rate result in corresponding increases in the total valuation.

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

Sensitivities

At 31 March 2024	Adopted Value	Capitalisation Rate +50 bp	Capitalisation Rate -50 bp
Freehold land and buildings			
Valuation $NZ000's	670,815		
Difference $NZ000's		(40,406)	43,779
Difference %		(6.0%)	6.5%

At 31 March 2023	Adopted Value	Capitalisation Rate +50 bp	Capitalisation Rate -50 bp
Freehold land and buildings			
Valuation $NZ000's	605,519		
Difference $NZ000's		(35,120)	39,358
Difference %		(5.8%)	6.5%

At 31 March 2024	Adopted Value	Discount Rate +0.5%	Discount Rate -0.5%	Property Growth Rate +50 bp	Property Growth Rate -50 bp
Completed care suite property					
Valuation $NZ000's	253,355				
Difference $NZ000's		(8,248)	8,873	15,076	(14,300)
Difference %		(3.3%)	3.5%	6.0%	(5.6%)

At 31 March 2023	Adopted Value	Discount Rate +0.5%	Discount Rate -0.5%	Property Growth Rate +50 bp	Property Growth Rate -50 bp
Completed care suite property					
Valuation $NZ000's	188,380				
Difference $NZ000's		(6,184)	6,713	(10,173)	10,896
Difference %		(3.3%)	3.6%	(5.4%)	5.8%

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:

$NZ000's	Freehold Land	Freehold Buildings	Freehold Land and Buildings Under Development	Total
Carrying amount – Historical cost 2024	36,203	279,306	25,903	341,412
Carrying amount – Historical cost 2023	32,161	250,774	35,813	318,748

3.3 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 stated 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.

As at 31 March 2024 seven sites meet the definition of held for sale, four sites are being actively marketed for sale and three are held under contract, (March 2023: ten sites). These sites and their respective land, building, investment property and plant and equipment have been reclassified for reporting purposes. As at 31 March 2023 one Right of Use Investment Property also met the definition of held for sale, refer to 1.3(ii)

Assets previously classed as Investment Properties and Right of Use Investment Properties are held on the Consolidated Balance Sheet at their fair value, assets previously classed as Property, Plant and Equipment are held on the Consolidated Balance Sheet at current valuation, which is the lower of fair value less costs to sell and the carrying amount.

Changes in fair value from the date of classification to held for sale are recognised in comprehensive income. See note 3.4 for resident liabilities associated with these held for sale assets.

During the year to 31 March 2024, three sites were disposed of. Refer to Note 1.3(ii) and (iii) for further details. Two sites classified as held for sale in the prior year no longer meet the definition of held for sale so have been transferred back to investment property. Included in the held for sale balance are two sites under contract for sale that had not settled at year end. One of these sites was settled on 30 April 2024 and the other on 21 May 2024. Refer to Notes 1.3 and 5.8 for further details.

$NZ000's	Notes	March 24	March 23
Opening balance		101,652	-
Transfer to investment property	3.1	(21,608)	34,833
Transfer from property, plant and equipment	3.2	18,614	31,996
Transfer from right of use assets	3.5	-	31,995
Additions		1,168	942
Disposals		(50,479)	-
Change in fair value during the year		(5,088)	1,886
Closing balance		**44,259**	**101,652**

3.4 Refundable Occupation Right Agreements

What is an ORA?

An ORA is a contract which sets out the terms and conditions of occupation of an independent living unit or care suite. A new resident is charged a refundable occupation licence payment in consideration for the right to occupy one of the Group's units, apartments or care suites. On termination of the ORA the occupation licence payment is repaid to the exiting resident.

What is DMF?

An amount equal to a capped percentage of the occupation licence payment is charged by the Group as a management fee for the right of use and enjoy the common areas of the village. The deferred management fee is payable by the resident on termination of the ORA.

Accounting Policy

The occupation licence payment becomes payable when the ORA is unconditional and has either "cooled off" or where the resident is in occupation. The Group has a legal right to set-off any amounts owing to the Group by a resident against that resident's occupation licence payment. Such amounts include deferred management fees, recovery of village operating costs and recovery of outstanding obligations to the village.

The management fee receivable is recognised in accordance with the terms of the resident's ORA.

The deferred management fee represents the difference between the management fees receivable under the ORA and the portion of the management fee accrued which is recognised on a straight-line basis over the longer of the term specified in a resident's ORA or the average expected occupancy for the relevant accommodation i.e. 7 years for units and premium apartments, 5 years for apartments and 3 years for care suites (March 2023: 7yrs, 5yrs, 3yrs).

An additional management fee is payable on premium apartments following termination of the ORA. This is an amount equal to 1% per annum of the occupation licence payment up to a maximum of 5%. The fee is recognised on a straight-line basis over the 5 years, and any unpaid is included as a receivable.

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

Included in the obligation to residents is an estimate of the amount expected to be paid to those residents whose ORA or unit title arrangement allows them to participate in the resale gain of the unit or apartment they occupy.

As the refundable occupation licence 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 amortised cost, being the amount that can be demanded.

3.4 Refundable Occupation Right Agreements (continued)

$NZ000's	March 24	March 23
Village		
Refundable occupation licence payments	1,003,945	884,890
Residents' share of resale gains	5,730	5,920
Less: Management fee receivable (per contract)	(217,412)	(191,599)
	792,263	**699,211**
Care Suites		
Refundable occupation licence payments	246,529	215,206
Accommodation rebate	95	83
Less: Management fee receivable (per contract)	(41,697)	(34,922)
	204,927	**180,367**
Total refundable occupation right agreements	**997,190**	**879,578**
Held for Sale[1]		
Refundable occupation licence payments	9,034	58,475
Residents' share of resale gains	-	220
Less: Management fee receivable (per contract)	(1,955)	(15,282)
	7,079	**43,413**

Reconciliation of Management Fees recognised under NZ IFRS and per ORA

$NZ000's	March 24	March 23
Village		
Management fee receivable (per contract, non GAAP)	(217,412)	(191,599)
Deferred management fee	46,774	44,321
Management fee receivable (per NZ IFRS)	**(170,638)**	**(147,278)**
Care Suites		
Management fee receivable (per contract, non GAAP)	(41,697)	(34,922)
Deferred management fee	563	1,013
Management fee receivable (per NZ IFRS)	**(41,134)**	**(33,909)**
Held for Sale		
Management fee receivable (per contract, non GAAP)	(1,955)	(15,282)
Deferred management fee	506	3,679
Management fee receivable (per NZ IFRS)	**(1,449)**	**(11,603)**

1 The amount on the face of the Balance Sheet in relation to refundable occupation right agreements held for sale includes an amount of $0.5m (March 2023: $3.7m) in relation to deferred management fees detailed further in this note.

3.5 Leases

What's a right of use asset?

Right of use assets are assets held under a lease arrangement. It represents the value of the lessee's right to use an asset over the life of the lease. There is a corresponding lease liability on the Consolidated Balance Sheet which represents the present value of the future lease payments.

Accounting Policy

Right of use assets and lease liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the remaining lease payments. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liabilities.

Right of use assets are initially recognised at cost, comprising of the initial amount of the lease liability less any lease incentives received. Right of use assets relating to equipment and motor vehicles, recognised in chattels, are subsequently depreciated using the straight line method from the commencement date to the end of the lease. Right of use assets relating to care centres are subsequently measured at fair value as determined by the Directors having taken into consideration the valuation performed by CBRE Limited. In considering the lease term, the Group applies judgement in determining whether it is reasonably certain that an extension or termination option will be exercised.

The lease payments are discounted using the interest rate Implicit in the lease. If that rate cannot be readily determined the incremental borrowing rate at the commencement of the lease is used.

3.5 Leases (continued)

Right of Use Asset

$NZ000's 12 months ended 31 March 2024	Notes	Buildings	Chattels	Total
Opening net book value		940	3,347	4,287
Additions		8,027	564	8,591
Disposals		-	(103)	(103)
Modifications		(26)	143	117
Depreciation		(880)	(1,229)	(2,109)
Net book value as at 31 March 2024		**8,061**	**2,722**	**10,783**

$NZ000's 12 months ended 31 March 2023	Notes	Investment Property	Buildings	Chattels	Total
Opening net book value		33,373	4,188	3,578	41,139
Additions		53	439	1,336	1,828
Disposals			(40)	(14)	(54)
Modifications			(3,772)	-	(3,772)
Depreciation			(532)	(1,553)	(2,085)
Transfer to held for sale		(31,995)	-	-	(31,995)
Gain on disposal/ modification			657	-	657
Revaluation for the year – Comprehensive Income		(1,431)	-	-	(1,431)
Revaluation for the year – Other Comprehensive Income			-	-	-
Net book value as at 31 March 2023		**–**	**940**	**3,347**	**4,287**

$NZ000's 31 March 2024	Buildings	Chattels	Total
Cost	8,439	7,015	15,454
Valuation	-	-	-
Accumulated depreciation	(378)	(4,293)	(4,671)
Net book value as at 31 March 2024	**8,061**	**2,722**	**10,783**

1 The revaluation noted in the Statement of Comprehensive Income differs from the above due to deferred tax, refer note 5.1.

Lease Liabilities

$NZ000's Year Ended 31 March 2024	Notes	Buildings	Chattels	Total
Opening net book value		1,161	3,637	4,798
Additions		7,964	564	8,528
Disposals		(165)	(123)	(288)
Interest		159	295	454
Modification		232	-	232
Lease payments made		(1,007)	(1,512)	(2,519)
Lease liabilities as at 31 March 2024		**8,344**	**2,861**	**11,205**

$NZ000's Year Ended 31 March 2023	Notes	Buildings	Chattels	Total
Opening net book value		5,986	3,908	9,894
Additions		435	1,321	1,756
Disposals		-	(17)	(17)
Interest		111	334	445
Modification		(4,029)	-	(4,029)
Lease payments made		(1,342)	(1,909)	(3,251)
Net book value as at 31 March 2023		**1,161**	**3,637**	**4,798**

Lease of Property, Plant and Equipment

On 9 February 2024 the Group exited its leased corporate office building located at 80 Queen Street, Auckland and commenced a lease at 188 Quay Street, Auckland.

In addition to the corporate office building, the group also leases various equipment and motor vehicles. In the comparative period the Group also leased one care centre.

4. Shareholder Equity and Funding

4.1 Shareholder Equity and Reserves

March 2024 $NZ000's	March 2024 Shares	March 2023 Shares	March 2024 $NZ000's	March 2023 $NZ000's
Share capital				
Issued and fully paid up capital	724,154,779	720,555,185	715,960	713,374
Total contributed equity	**724,154,779**	**720,555,185**	**715,960**	**713,374**
Movements				
Opening balance of ordinary shares issued	720,555,185	710,204,500	713,374	705,291
Shares issued for employee share scheme	53,761	1,174,602	-	-
Shares issued for Long Term Incentive Scheme	212,894	-	-	-
Shares issued for dividend reinvestment plan	3,332,939	9,176,083	2,586	8,083
Closing balance of ordinary shares issued	**724,154,779**	**720,555,185**	**715,960**	**713,374**

All ordinary shares rank equally with one vote attached to each fully paid ordinary share. The shares have no par value. The Company incurred no transaction costs issuing shares during the period (March 2023: nil).

Dividend Reinvestment Plan ("DRP")

In 2019, the Board approved the implementation of a dividend reinvestment plan for New Zealand and Australian shareholders. This plan has been effective for all subsequent dividends.

	March 2024 value per share	March 2024 number of shares	March 2023 value per share	March 2023 number of shares
Reinvestment of final dividend for the prior period	$0.7754	3,332,939	$0.9875	3,823,536
Reinvestment of interim dividend for the period	-	-	$0.8041	5,352,547

Long Term Incentive ("LTI")

On 15 September 2020 the Board approved a new Long Term Incentive Scheme with a vesting period of 3 years for its senior executives ("LTI Scheme"). The LTI Scheme has been established to:

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

Participants in the Scheme will be granted Share Rights from time to time which will, on vesting, convert into an entitlement to receive ordinary shares. Vesting will depend on achievement of certain performance hurdles relating to Oceania's total shareholder return relative to the NZX50 and, for certain schemes, Oceania's performance against EBITDA targets.

Share Rights become exercisable if the holder remains employed on the vesting date and performance hurdles are met over the period from the commencement date to the measurement date, and in certain other exceptional circumstances. On becoming exercisable, each Share Right will entitle the holder to receive one fully paid ordinary share in Oceania Healthcare 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

The Share Rights in the 2020 and 2021 grant are divided between two performance hurdles;

- Share Rights will qualify for vesting on a straight-line basis, from 0%, where the total shareholder return (TSR) from the commencement date to the measurement date is equal to the 35th percentile of the NZX50 Group, to 100% where the TSR is equal to or greater than the 75th percentile of the NZX50 Group; and
- For the second performance hurdle, Share Rights will qualify for vesting if the Group's annual growth in underlying earnings (before interest, tax, depreciation and amortisation) per share (UEPS) from the commencement date to the measurement date is equal to or greater than the target for growth in UEPS for that period.

The Share Rights for the 2022 grant are subject to one performance hurdle. Share Rights will qualify for vesting on a straight line basis, from 0%, where the TSR from the commencement date to the measurement date is equal to the 25th percentile of the NZX50 Group, to 100% where the TSR is equal to or greater than the 75th percentile of the NZX Group.

Lapse

Share Rights will lapse where the performance hurdles are not met on a relevant measurement date or, in general, where the participant ceases to be employed by the Group before the vesting date (except in certain circumstances).

Scheme	Date	Share rights issued	Share rights lapsed	Share rights vested
2020 LTI	20 September 2020	1,948,061	1,599,054	349,007
2021 LTI	10 September 2021	1,078,125	984,875	93,250
2022 LTI	18 November 2022	1,430,150	761,209	n/a

On 11 September 2023 the Board approved a new Share Option Plan. The option plan has been established to:

a) Reward and retain key employees;

b) Drive longer-term performance and alignment of incentives of participants with the interests of the groups shareholders; and

c) Encourage longer term decision-making by participants.

4.1 Shareholder Equity and Reserves (continued)

Participants in the Option Plan will be granted options to acquire ordinary shares from time to time. These options will, subject to those participants' continued employment by Oceania, be exercisable by participants during specified exercise periods for a set exercise price. On exercise of the share options, the Group will facilitate a cashless (net settled) exercise by issuing such number of shares as is equal to the difference between the then current market value and the exercise price, multiplied by the number of options being exercised, divided by the then current market value.

Scheme	Date	Share options issued	Share options forfeited	Exercise price
2023 Option Plan	11 September 2023	16,666,667	7,142,857	$0.82

Dividends

On 24 May 2023, a final dividend of 1.3 cents per share (not imputed) was declared and was paid on 21 June 2023. The record date for entitlement was 7 June 2023.

	March 2024 cents per share	March 2024 $NZ000's	March 2023 cents per share	March 2023 $NZ000's
Final dividend for the prior period	1.3	9,348	2.3	16,335
Interim dividend for the period	–	–	1.9	13,589
Total dividends declared during the year[1]		**9,348**		**29,924**

The directors resolved not to pay a final dividend for the year to 31 March 2024 to provide for ongoing investment in Oceania's growth and portfolio transformation. The Directors will consider a resumption of paying dividends at the next reporting date, after taking into consideration cashflow, market conditions and growth opportunities.

Asset Revaluation Reserve

The asset revaluation reserve is used to record the revaluation of freehold land and buildings and land and buildings under development. The amounts are recognised in the Consolidated Statement of Comprehensive Income when it affects profit or loss. Refer to note 3.2.

Cash Flow Hedge Reserve

The cash flow hedge reserve is used to record gains or losses on instruments used as cash flow hedges. The amounts are recognised in the Consolidated Statement of Comprehensive Income when the hedged transaction affects profit or loss. Refer to note 5.6.

1 Total dividends declared during each period differs to dividends paid per the Consolidated Statement of Changes in Equity as a result of dividends payable on shares held within the Group.

4.2 Earnings per share

Basic

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 period.

	March 24	March 23
Profit after tax ($'000)	**31,474**	**15,448**
Weighted average number of ordinary shares outstanding ('000s)	723,320	715,333
Basic earnings per share (cents per share)	**4.4**	**2.2**

Diluted

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 2024 there were 349,007 shares with a dilutive effect (March 2023: 349,007).

	March 24	March 23
Profit after tax ($'000)	**31,474**	**15,448**
Weighted average number of ordinary shares outstanding ('000s)	723,669	715,683
Diluted earnings per share (cents per share)	**4.3**	**2.2**

4.3 Employee Share Based Payments

Employee Share Plan

On 25 September 2023, 53,761 shares were issued as part of an employee share scheme ("ESS"). All permanent employees as at that date were invited to participate. Full time employee participants were allocated an equivalent of $800 of shares and part time employee participants were allocated an equivalent of $400 of shares. The shares are held in trust and will be transferred to the employee if the employee remains employed by Oceania (or any of its subsidiaries) for the following three years.

In the comparative year, on 27 September 2022, 1,174,602 shares were issued as part of the ESS.

4.4 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 Consolidated Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such a time as the assets are substantially ready for their intended use. Other borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

$NZ000's	March 24	March 23
Secured		
Bank loans	418,955	332,764
Deferred payment on acquisition	-	250
Capitalised loan costs	(1,504)	(1,990)
Retail Bond – OCA010	125,000	125,000
Retail Bond – OCA020	100,000	100,000
Capitalised bond costs	(1,933)	(2,435)
Total borrowings	**640,518**	**553,589**
Current	-	250
Non current	643,955	557,764
Total borrowings excluding capitalised loan costs	**643,955**	**558,014**

Recognition and Measurement

Bank Loans

Interest is charged using the BKBM Bill rate plus a margin and line fee. Interest rates applicable in the year to 31 March 2024 ranged from 6.40% to 7.15% (March 2023: 3.23% to 6.53%).

Deferred Payment on Acquisition of Previously Leased Site

Relates to the purchase of a previously leased site. The deferred payment was secured by a first charge mortgage over the property and repaid in the current period.

Retail Bond

NZDX ID	Issue Date	No. of bonds	$NZ000's	Maturity	Fixed Interest	Trading Interest at March 24	Trading Interest at March 23
OCA010	19 Oct 20	125.0m	$125,000	19 Oct 27	2.3%	7.55%	7.4%
OCA020	13 Sept 21	100.0m	$100,000	13 Sept 28	3.3%	7.3%	7.3%

The bonds are quoted on the NZX Debt Market and their fair value at balance date is based on their listed market price as at balance date. Interest on OCA010 is payable quarterly in January, April, July and October in equal instalments.

Interest on OCA020 is payable quarterly in March, June, September and December in equal instalments.

Debt Financing

On 9 May 2022, in the comparative period, it was announced an agreement was entered into with the banking syndicate to increase total debt facility limits from $350m to $500m for a tenure of five years as follows:

i. General Corporate Facility limit increased to $235m (formerly $85m); and

ii. Development Facility limit remains at $265m

The facilities are held by a banking syndicate comprising ANZ, ASB and ICBC and repayable on 13 June 2027

The entire debt facility is sustainability-linked for the entire five year period with a penalty in the event of the Group not satisfying certain ESG targets and an interest discount in the event that certain targets are met. For the period to 31 March 2024, all three targets were met and a discount will be received. For the period to 31 March 2023, two targets were met and a third partially met. A discount was received for one metric and no penalty interest was incurred.

Effective 17 August 2023, the company executed a limit switch. This transferred $50m of available commitments from the General Corporate Facility to the Development Facility.

Financing Arrangements

At 31 March 2024, the Group held committed bank facilities with drawings as follows:

$NZ000's	March 24		March 23	
	Committed	Drawn	Committed	Drawn
General Corporate Facility	185,000	110,000	235,000	111,850
Development Facility	315,000	308,955	265,000	220,914
Total	**500,000**	**418,955**	**500,000**	**332,764**

The Group's revolving Development Facility is utilised to cover costs associated with current development projects. The revolving General Corporate Facility is used for general corporate purposes as well as for development land and initial costs for projects not currently funded by the Development Facility.

Interest on the General Corporate Facility is typically payable quarterly. Interest on the Development Facility is capitalised and repaid together with principal using the ORA licence proceeds received upon settlement of initial sales of newly developed units and care suites. Line fees are payable quarterly on the committed General Corporate Facility and the Committed Development Facility.

4.4 Borrowings (continued)

The financial covenants in the Group's senior debt facilities, with which the Group must comply include:

a) Interest Cover Ratio – the ratio of Adjusted EBITDA to Net Interest Charges, where interest charges relates to the interest and commitment fees in relation to the General Corporate Facility, is not less than 2.0x;

b) Loan to Value Ratio – the ratio of total bank indebtedness shall not exceed 50% of the total property value of all Group's properties (including the "as-complete" valuations for projects funded under the Development Facility); and

c) Guarantor Group Coverage – at all times the adjusted EBITDA of the Guaranteeing Group must be at least 90% of the Adjusted EBITDA of the total tangible assets of the Group; and

d) Development – at all times the outstanding principal amount under the Development Facility shall not exceed the Development Value. Development Value (per the most recent valuation excluding any settled stock) is the aggregate value of all Residential Facilities in all Developments that are being funded by the Development Facility less their cost to complete.

The covenants are tested half yearly. All covenants have been complied with during the period. The Group has agreed with its banks that the calculation of Adjusted EBITDA and Net Interest, for the purposes of the financial covenants, shall continue to be based on the accounting treatment in use before the introduction of NZ IFRS 16 Leases.

Assets Pledged as Security

The bank loans and bonds of the Group are secured by mortgages over the Group's care centre freehold land and buildings and rank second behind the Statutory Supervisors where the land and buildings are classified as investment property and investment property under development.

As at 31 March 2024 the balance of the bank loans over which the properties are held as security is $419.0m (March 2023: $332.8m).

Net Debt Reconciliation

Cash and cash equivalents include cash on hand. The following provides an analysis of net debt and the movements in net debt for the year.

$NZ000's	March 24	March 23
Cash and cash equivalents	7,485	7,439
Debt – repayable within one year	(1,331)	(2,152)
Debt – repayable after one year	(653,829)	(560,661)
Net Debt	**(647,675)**	**(555,374)**
Cash and liquid investments	7,485	7,439
Gross debt – fixed interest rates	(236,205)	(230,048)
Gross debt – floating interest rates	(418,955)	(332,764)
Net Debt	**(647,675)**	**(555,373)**

Borrowings

$NZ000's	March 24	March 23
Borrowings at the start of the year	(558,014)	(383,345)
Cash drawdowns	(153,840)	(244,311)
Cash repaid	67,899	70,440
Other non cash movements	–	798
Borrowings at the end of the year	**(643,955)**	(558,014)

5. Other Disclosures

5.1 Income Tax

What is Current Tax?

Current tax is an estimate of the tax that is payable to Inland Revenue for the current financial year.

What is Deferred Tax?

Deferred tax is an estimate of income tax that will be payable or recoverable in respect of temporary differences relating to the accounting and tax values of the Group's assets and liabilities. Deferred tax also includes the value of tax losses that we consider we will use in the future to meet any income tax obligation.

Accounting Policy

The tax expense or benefit for the year comprises current and deferred tax. Tax is recognised in the calculation of profit for the year in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income. In this case the tax is also recognised in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted at the balance date. The Directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from 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 income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences, and losses can be utilised.

5.1 Income Tax (continued)

$NZ000's	March 24	March 23
Income tax benefit		
Current tax	–	–
Deferred tax	(3,081)	(3,448)
	(3,081)	**(3,448)**
Taxation expense is calculated as follows:		
Profit before income tax	28,393	12,000
Tax at the New Zealand tax rate of 28%	7,950	3,360
Adjusted by the tax effect of:		
Non-taxable gain on purchase of business assets	–	(156)
Non-deductible impairment of goodwill	156	657
Non-deductible expenditure	254	683
Capitalised interest deductible for tax	(6,765)	(3,181)
Taxable deferred management fees	(7,941)	(9,748)
Non-assessable revaluation of investment property	(16,799)	(8,519)
Taxable depreciation	(10,691)	(7,968)
Accounting depreciation	4,863	4,264
Right of use asset	8,771	(179)
Non-deductible impairment of fixed asset	3,801	1,850
Adjustment for timing difference of provisions	384	(532)
Losses generated	16,017	19,469
Current tax expense	**–**	**–**
Impact of movements in investment property	(1,819)	3,068
Impact of movements in property, plant and equipment	17,015	(3,071)
Impact of movements in right of use assets	(96)	430
Impact of movements in held for sale assets	(7,921)	8,084
Other adjustments	(290)	652
Deferred management fee	7,554	8,307
Losses (recognised) / utilised or derecognised	(17,524)	(20,917)
Deferred tax benefit	**(3,081)**	**(3,448)**
Income tax benefit	**(3,081)**	**(3,448)**

Movement in the Deferred Tax Balance:

$NZ000's	Balance 1 April 2023	Recognised in Consolidated Statement of Comprehensive Income	Recognised in Other Comprehensive Income	Balance 31 March 2024
Investment property	2,197	1,819	–	4,016
Property, plant and equipment	(10,944)	(17,015)	(3,918)	(31,877)
Right of use assets	164	96	–	260
Held for sale assets	(8,084)	7,921	–	(163)
Provisions and other assets / liabilities	5,169	290	837	6,296
DMF revenue in advance	(13,308)	(7,554)	–	(20,862)
Tax losses	24,806	17,524	–	42,330
Deferred tax assets / (liabilities)	**–**	**3,081**	**(3,081)**	**–**

	Balance 1 April 2022	Recognised in Consolidated Statement of Comprehensive Income	Recognised in Other Comprehensive Income	Balance 31 March 2023
Investment property	5,265	(3,068)	–	2,197
Property, plant and equipment	(11,163)	3,071	(2,853)	(10,944)
Right of use assets	594	(430)	–	164
Held for sale assets	–	(8,084)	–	(8,084)
Provisions and other assets / liabilities	6,416	(652)	(595)	5,169
DMF revenue in advance	(5,001)	(8,307)	–	(13,308)
Tax losses	3,889	20,917	–	24,806
Deferred tax assets / (liabilities)	**–**	**3,448**	**(3,448)**	**–**

Recognition and Measurement

No income tax was paid or payable during the year (March 2023: nil).

5.1 Income Tax (continued)

Key Accounting 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 and deductible amounts as provided by external valuers, to the extent that it doesn't relate to land. The Group uses the external valuers' valuation of land and improvements to estimate the apportionment of cash flows arising from the depreciable (i.e. buildings) and non-depreciable components (i.e. land).

Deferred tax on non-residential buildings

On 28 March 2024, the Government passed the Taxation (Annual Rates for 2023–24, Multinational Tax, and Remedial Matters) Act, which included tax legislation changes including the removal of tax deductions for depreciation on non-residential buildings. The change largely reinstates the policy that was in place between 2012 and 2020. Specifically, the tax depreciation rate will be set at 0% for all buildings (residential and non-residential) with an estimated useful life of 50 years or more, from the 2024/25 year onwards. This resulted in an increase in the deferred tax liability in respect of Property, Plant and Equipment and Investment Property of $28.4m as at 31 March 2024 for the Group, but did not result in any change to the total deferred tax recognised on the balance sheet of nil due to the recognition of previously unrecognised tax losses.

Recognition of Deferred Tax on Tax Losses

After taking into consideration tax losses generated in the year to 31 March 2024, the Group now has an estimated $253.7m (March 2023: $201.3m) of available tax losses as at 31 March 2024.

The Group may recognise deferred tax assets to the extent that it is probable that the Group will generate future economic profits to offset the deferred tax assets or to the extent that they offset deferred tax liabilities. A deferred tax asset of $42.3m (March 2023: $24.8m) representing tax losses generated has been recognised as at 31 March 2024 in order to offset the net deferred tax liability position. All other available losses generated are held off balance sheet. Total available losses are noted below:

$NZ000's	March 24	March 23
Opening balance – tax losses	201,282	130,333
Prior period adjustments: other	(4,773)	1,169
Losses per Inland Revenue	196,509	131,502
Losses utilised for the year	–	–
Losses forfeited during the year	–	–
Losses generated during the year	57,211	69,780
Closing balance – tax losses	**253,720**	**201,282**

5.2 Intangible Assets

Accounting Policy

Goodwill

Goodwill represents the excess of cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or business at the date of acquisition. Goodwill is not amortised. Instead, goodwill is tested at least once annually for impairment at 31 March and carried at cost less accumulated impairment losses. Impairments are recognised in the Statement of Comprehensive Income. Gains and losses on the disposal of an entity or cash generating unit ("CGU") include the carrying amount of goodwill relating to the entity or CGU sold. Goodwill is allocated to CGUs and these CGUs are grouped where appropriate for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

Computer Software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specified software. Where computer software licences are housed in the cloud they are capitalised to the extent the Group controls the licence and has rights to the software beyond rights to access. These costs are amortised on a straight line basis over their estimated useful lives (2.5 – 8 years).

$NZ000's	Goodwill	Software	Total
Year ended 31 March 2024			
Opening net book amount	3,167	3,550	6,717
Additions	269	197	466
Transfer to Property, Plant and Equipment	–	(363)	(363)
Amortisation	–	(557)	(557)
Impairment charge[1]	(555)	–	(555)
Disposal	–	(45)	(45)
Closing net book amount	**2,881**	**2,782**	**5,663**
As at 31 March 2024			
At cost	208,237	4,978	213,215
Accumulated amortisation and impairment	(205,356)	(2,196)	(207,552)
Net book amount	**2,881**	**2,782**	**5,663**

1 Impairment charge in the 12 months to 31 March 2024 includes $0.6m (March 2023: $2.3m) in relation to the disposal of goodwill at leasehold sites.

5.2 Intangible Assets (continued)

$NZ000's	Goodwill	Software	Total
Year ended 31 March 2023			
Opening net book amount	4,933	3,670	8,603
Additions	581	534	1,115
Amortisation	-	(654)	(654)
Impairment charge[1]	(2,347)	-	(2,347)
Closing net book amount	**3,167**	**3,550**	**6,717**
As at 31 March 2023			
At cost	207,968	5,189	213,157
Accumulated amortisation and impairment	(204,801)	(1,639)	(206,440)
Net book amount	**3,167**	**3,550**	**6,717**

Impairment Test for Goodwill

The carrying value of goodwill has been assessed on a site by site basis taking into account the sites results as a whole. An impairment is recognised when the carrying value of goodwill plus chattels is greater than the CBRE Limited value of goodwill plus chattels.

The carrying amount of goodwill at each site is not significant in comparison to the total amount of goodwill. All goodwill is allocated to the care CGUs.

Key Judgements in Applying the Accounting Policies

Care CGUs Recoverable Amount

The recoverable amount of the individual care sites has been determined based on an external valuation of fair value less costs to sell by CBRE Limited as an external valuer. The fair value less costs to sell is considered level 3 in the fair value hierarchy. This has been used for comparison to current carrying value. The assumptions used in determining the fair value for care centres are disclosed in note 3.2.

5.3 Trade and Other Receivables

Accounting Policy

Trade receivables are amounts due from residents and various government agencies in the ordinary course of business and are recognised initially at fair value, being its transaction price, plus transaction costs. Trade receivables are held with the objective of collecting the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less a provision for impairment.

Occupation licence payment receivables are recognised at the point in time that an ORA becomes unconditional and has either "cooled off" or where the resident is in occupation, and the resident has not yet made all of the contractual licence payment to the Group. The long term portion of this receivable has been discounted by $1.9m (March 2023: $0.9m).

$NZ000's	March 24	March 23
Net trade and other receivables		
Trade receivables	21,632	21,788
Less: Loss allowance	(299)	(379)
	21,333	**21,409**
Occupation licence payment receivable[2]	93,788	74,146
Insurance Receivable	4,914	10,913
Prepayments	4,829	2,461
Trade and other receivables	**124,864**	**108,929**

Recognition, Measurement and Judgements in Applying Accounting Policies

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and requires recognition from initial recognition of the trade receivable. To measure expected credit losses, trade receivables have been grouped and reviewed on the basis of the number of days since resident departure and the funding stream and type of debtor. Judgement is used in selecting the inputs to the impairment calculation and is based on past history and forward looking assumptions.

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 ACC.
- Trade receivables from village operations for the provision of weekly service fees and occupation licence payment receivables. These are receivable from residents.

The Group has applied a simplified approach to calculating the expected loss rate expected by applying a 1.5% allowance to trade receivables from care operations (2023: 2%) and 0% from village operations (2023: 0%), adjusted for any other known factors with respect to individual debts.

There is no significant concentration of credit risk as trade receivables relate to individual residents and government agencies.

1 Impairment charge in the 12 months to 31 March 2024 includes $0.8m in relation to the disposal of goodwill at leasehold sites.
2 Occupation licence receivable includes an amount of $74.0m in relation to short term occupation licence receivables expected to be recovered in less than 12 months. (March 2023: $64.2m).

5.4 Trade and Other Payables

Accounting Policy

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

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

Wages and Salaries, Annual Leave and Long Service Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for employee entitlements is carried at the present value of the estimated future cash flow.

The liability for long service leave is recognised in the provision for employee entitlements and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

$NZ000's	March 24	March 23
Trade payables	14,975	9,787
Development accruals	9,266	12,615
Sundry payables and accruals[1]	3,106	6,990
Accrued interest on external borrowings	1,355	1,360
Employee entitlements	23,355	21,537
Trade and other payables	**52,057**	**52,289**

5.5 Related Party Transactions

The below entities are subsidiaries of Oceania Healthcare Limited.

Name of Entity	Principal Activities	2024	2023	Class of shares
Oceania Group (NZ) Limited	Corporate office functions	100%	100%	Ordinary
Oceania Care Company Limited	Operation of aged care centres	100%	100%	Ordinary
Oceania Village Company Limited	Ownership and operation of retirement villages	100%	100%	Ordinary
OCA Employees Trustee Limited	Hold Employee Share Scheme shares on behalf of employees	100%	100%	Ordinary
Bream Bay Village Limited[2]	Non operating	100%	100%	Ordinary

All subsidiaries are incorporated in New Zealand and have a balance date of 31 March (2023: 31 March). There are no significant restrictions on subsidiaries.

Key Management Personnel Compensation

Key management personnel are all executives with the authority for the strategic direction and management of the Group and exclude those in an Acting capacity.

$NZ000's	March 24	March 23
Directors' remuneration and expenses	875	879
Directors' dividends including DRP	395	1,399
Salaries and other short term employee benefits	2,967	3,359
Long Term Incentive Scheme	164	–
Key management personnel dividends including DRP	4	37
Termination benefits[3]	338	–
	4,743	**5,674**

Transactions with Related Parties

There are no outstanding balances with related parties (March 2023: nil).

5.6 Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risks (including cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as interest rate swap contracts to hedge certain interest rate risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rates to determine market risk and aging analysis for credit risk.

Classification and measurement

Financial assets are required to be classified into three measurement categories: those measured at fair value through profit and loss, those measured at fair value through other comprehensive income and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Trade receivables are amounts due from residents and various government agencies held to collect contractual cash flows in the ordinary course of business. These balances are held at amortised cost less a provision for impairment.

Risk management is carried out centrally by management under policies approved by the Board of Directors. The Directors provide written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

1 Sundry payables include $0.1m (March 2023: $0.1m) relating to cash held on behalf of residents.
2 The business operations and assets of Bream Bay Village Limited were sold to Oceania Village Limited on 30 September 2022 at carrying amount. Subsequent to this date the company is dormant.
3 Termination payments are made to employees who met the definition of key management and ceased to be employed by the Group during the period.

5.6 Financial Risk Management (continued)

a) Fair Value Estimation

All financial assets (cash and cash equivalents, trade and other receivables and certain right of use assets) and financial liabilities (trade and other payables, lease liabilities and bank borrowings), other than derivatives, are measured at amortised cost, which approximates to fair value. Financial liabilities measured at amortised cost are fair valued using the contractual cash flows. In considering the fair value of interest bearing assets and liabilities the estimated future interest rates approximate the discount rates used in a fair value assessment.

b) Market Risk

Market risk is the risk that changes in market prices such as interest rates will affect the Group's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

c) Cash Flow Risk

The Group has no significant interest-bearing assets, as such the Group's income is substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The cash flow and interest rate risks are monitored by the Directors on a monthly basis. The Directors monitor the existing interest rate profile with reference to the Group's Treasury Policy and the Group's underlying interest rate exposure. Management present interest rate hedging analysis and strategies to the Directors for consideration and seek Director approval prior to entering into any interest rate swaps.

The following table shows the sensitivity of the Group's Profit / (Loss) and equity to a movement in interest rates of +/-1%. This assumes all other variables remain constant.

	+1%		-1%	
$NZ000's	**Profit / (Loss)**	**Equity**	**Profit / (Loss)**	**Equity**
2024				
Interest expense	3,516	2,514	(3,516)	(2,514)
Change in fair value of cash flow hedges	–	1,147	–	(1,170)
2023				
Interest expense	2,104	1,128	(2,104)	(1,128)
Change in fair value of cash flow hedges	–	2,012	–	(2,065)

Interest Rate Swaps

It is the Group's policy to manage interest rate risk through the use of interest rate swaps to reduce the impact of changes in interest rates on its floating rate long term debt. The objective of the interest rate swaps is to protect the Group from the short to medium term impact to cash flows which arises out of variability in floating interest rates.

Interest rate swaps are initially recognised at fair value on the date a contract is entered into and are subsequently measured at fair value on each reporting date. The fair values of the interest rate swaps are determined based on cash flows discounted to present value using current market interest rates.

Interest swaps are assessed for effectiveness at each reporting period. A retrospective calculation will be used to determine the amount of any ineffectiveness to recognised in comprehensive income.

The expected causes of ineffectiveness are as follows:

- Credit risk of the bank;
- Insufficient level of floating rate debt;
- Differing interest settlement dates; or
- Inter Bank Offered Rate ("IBOR") reform if the BKBM rate is replaced with another measure.

When interest rate swaps meet the criteria for cash flow hedge accounting, the effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income (loss of $2.1m, March 2023: gain of $1.5m), while the ineffective portion is recognised in other expenses in the Consolidated Statement of Comprehensive Income (nil impact, March 2023: nil impact). Amounts taken to the interest rate reserve are transferred out of the reserve and included in the measurement of the hedged transaction when the forecast transaction occurs. When interest rate swaps do not meet the criteria for cash flow hedge accounting, all movements in fair value of the hedging instruments are recognised in the Consolidated Statement of Comprehensive Income.

Under the interest rate swap agreements, the Group has a right to receive interest at variable rates and an obligation to pay interest at fixed rates. Of the interest rate swaps in place at 31 March 2024, $100.0m (March 2023: $100m) are being used to cover approximately 23.9% (March 2023: 30.1%) of the loan principal outstanding. Bank loans of the Group currently bear an average fixed interest rate (including margin and line fees) of 4.2% (March 2023: 4.1%). The fair value of these agreements at 31 March 2024 is a $3.0m asset (March 2023: $6m asset). The agreements were entered into in 2019 and cover notional amounts for a period of 3 years, 5 years, and 7 years.

The notional principal amounts and the period of expiry of the interest rate swap contracts are as follows:

	Average contracted fixed interest rate		Notional principal amount	
$NZ000's	**March 24 %**	**March 23 %**	**March 24 $NZ000's**	**March 23 $NZ000's**
Less than 1 year	3.25	–	50,000	–
Between 1 and 3 years	3.43	3.17	50,000	50,000
Between 3 and 5 years	–	3.35		50,000

d) Credit Risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure from trade and other receivables.

In the normal course of business, the Group has no significant concentrations of credit risk. Other than on a small number of exceptions, the Group requires settlement of the ORA before allowing occupation of its villas or apartments. Therefore, the Group does not face significant credit risk. The values attached to each financial asset in the Consolidated Balance Sheet represent the maximum credit risk. No collateral is held with respect to any financial assets. The Group enters into financial instruments with various counterparties in accordance with established limits as to credit rating and dollar limits and does not require collateral or other security to support the financial instruments.

5.6 Financial Risk Management (continued)

Concentrations

Cash and cash equivalents of the Group are deposited with one of the major trading banks. Non-performance of obligations by the bank is not expected due to the credit rating of the counter party considered. The Standard and Poors credit rating of the counter party as at 31 March 2024 is AA- (March 2023: AA-).

The Group's receivables represent distinct trading relationships with each of the residents. There are no concentrations of credit risk with residents. Large receivables generally relate to the residential care subsidies which are received from Health New Zealand Te Whatu Ora and Work and Income New Zealand. Neither of these entities has demonstrated, or is considered, a credit risk.

e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. Due to the dynamic nature of the underlying businesses, the Directors aim at maintaining flexibility in funding by keeping committed credit lines available.

Cash flow forecasting is regularly performed by management. Management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs, while maintaining headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans and covenant compliance.

The table below shows the maturity analysis of the Group's contractual undiscounted cash flows.

$NZ000's	Less than 1 Year	Between 1 and 2 Years	Between 2 and 5 Years	Over 5 Years
2024				
Trade and other payables	24,238	–	–	–
Lease liabilities	2,069	2,378	4,652	5,361
Borrowings	6,175	6,175	656,508	–
Cash flow hedge - interest rate swaps	1,927	1,067	151	–
Refundable occupation right agreements[1]	1,004,269	–	–	–
2023				
Trade and other payables	22,367	–	–	–
Lease liabilities	2,658	1,814	3,251	4,230
Borrowings	6,175	6,175	474,852	101,650
Cash flow hedge - interest rate swaps	3,300	1,482	1,144	–
Refundable occupation right agreements[1]	922,991	–	–	–

Of the derivative financial instruments value of $3.0m on the Consolidated Balance Sheet as at 31 March 2024 $0.3m is classified as current and $2.7m is classified as non-current (March 2023: balance of $6.0m classified as non-current).

The refundable ORAs are repayable to the resident on vacation of the unit, apartment, care suite or on the termination of the occupation right agreement and subsequent resale of the unit, apartment or care suite. The expected maturity of the refundable ORAs is shown in note 3.4.

f) Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The consolidated financial statements are prepared on a going concern basis.

5.7 Contingencies and Commitments

At 31 March 2024, the Group had no contingent liabilities (March 2023: nil).

At 31 March 2024, the Group has a number of commitments to develop and construct certain development sites totalling $45.3m (March 2023: $124.8m).

As at 31 March 2024, the Group had commitments of $nil (March 2023: $10.9m) in relation to the development of the Everil Orr site.

As at 31 March 2024, the Group has a commitment in relation to the lease of Level 26, 188 Quay Street, Auckland from February 2024. The commencement date for this lease is 13 March 2024 for a term of 9 years.

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

5.8 Events After Balance Date

Assets Held for Sale

On 30 April 2024, $10.6m was received in full and final settlement of an asset held for sale at 31 March 2024 located in Auckland.

On 21 May 2024, $5.4m was received in full and final settlement of an asset held for sale at 31 March 2024 located in Christchurch.

Land Acquisition

On 7 November 2023 a sale and purchase agreement was entered into to acquire a parcel of land adjacent to an existing site for $4.2m. Settlement occurred on 12 April 2024.

Insurance

Prior to signing these financial statements final agreement was reached with insurers in relation to all insurance claims arising from the Auckland Floods and Cyclone Gabrielle with $1.7m of cash received between balance date and signing.

There have been no other significant events after balance date.

1 Refundable ORAs are classified as being repayable on demand, and therefore fully repayable within 12 months.

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Independent auditor's report to the shareholders of Oceania Healthcare Limited

Opinion

We have audited the financial statements of Oceania Healthcare Limited (the "Company") and its subsidiaries (together the "Group") on pages 48 to 80, which comprise the consolidated balance sheet of the Group as at 31 March 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended of the Group, and the notes to the consolidated financial statements including material accounting policy information.

In our opinion, the consolidated financial statements on pages 48 to 80 present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2024 and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders 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 Company and the Company's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

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

We 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 we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Ernst & Young provides other assurance and remuneration benchmarking services to the Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of the audit report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Investment property and freehold land and buildings valuation

Why significant	How our audit addressed the key audit matter

As disclosed in notes 3.1 and 3.2 of the consolidated financial statements:
• The Group's investment property ("village assets") portfolio was valued at $1.815 billion at 31 March 2024 and included completed investment property and investment property under development.
• The Group's freehold land and buildings ("care assets") were valued at $750 million at 31 March 2024. This included completed care centre land and buildings operated by the Group for the provision of care services and care centres under development.
Independent valuations of all village assets and care assets were carried out by a third party valuer (the Valuer). The valuation of village assets and care assets is inherently subjective given that there are alternative assumptions and valuation methods that may result in a range of values.
For village assets, key assumptions are made in respect of:
• discount rate;
• forecast house price inflation;
• the average entry age of residents; and
• the occupancy periods of the units for each village.
For care assets, key assumptions are made in respect of:
• capitalisation rates; and
• earnings per care bed.
Properties which are externally valued are recorded in the consolidated financial statements at a Directors' valuation which is generally based on the value determined by the Valuer as at 31 March 2024.
Village and care asset buildings under development whose value cannot be reliably determined, generally those which are not substantially progressed, are carried at cost less any impairment.
	Our audit procedures included the following:
	• Held discussions with management to understand:
	  • sales or purchases of the Group's village and care assets;
	  • changes in the condition of each property, including from seismic and weather related events; and
	  • their internal review of the third party valuation report.
	• Held discussions with the Valuer to gain an understanding of the assumptions and estimates used and the valuation methodologies applied;
	• On a sample basis we:
	  • involved our real estate valuation specialists to assist with our assessment of the methodologies used and whether the significant valuation assumptions fell within a reasonable range;
	  • assessed key inputs of property specific information supplied to the Valuers by the Group, including resident schedules, Occupational Rights Agreement ("ORA") and occupancy data, to the underlying records held by the Group;
	  • compared occupancy data and earnings per care bed provided to the Valuer in the current year against the previous year; and
	  • assessed the significant input assumptions applied by the Valuer compared to previous period assumptions, taking into account the changing state of the properties and other market changes.
	• Assessed the competence, qualifications and objectivity of the Valuer;
	• Examined the allocation of costs from work in progress to completed village units and other assets;
	• Considered the impact of new development work and the completeness of the assets included in the valuation;
	• Assessed the adjustments made between the amounts determined by the Valuer and the recorded valuation amounts, including those arising from seismic and weather related events, and tested the quantum of these adjustments; and
	• Considered the adequacy of the disclosures in notes 3.1 and 3.2.

Information other than the financial statements and auditor's report

The directors of the Company are responsible for the annual report, which includes information other than the consolidated financial statements and auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of 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 during the audit, or otherwise appears to be materially misstated.

If, based upon 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.

Directors' responsibilities for the financial statements

The directors are responsible, on behalf of the entity, for the preparation and fair presentation of the consolidated financial statements in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing on behalf of the entity 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 cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 International Standards on Auditing (New Zealand) 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 financial statements is located at the External Reporting Board's website: https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1/. This description forms part of our auditor's report.

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

Ernst & Young

Chartered Accountants
Auckland
24 May 2024

Corporate Governance

This section of the Annual Report provides information on Directors' independence, diversity and inclusion policies, remuneration and statutory disclosures.

Oceania's governance framework is guided by the recommendations set out in the 2023 edition of the NZX Corporate Governance Code (NZX Code). Oceania has prepared a statement on the extent to which it has followed the recommendations in the NZX Code. The Corporate Governance Statement is current as at 31 March 2024. Oceania considers that it has followed the recommendations in the NZX Code in all respects during FY2024.

For detailed information on Oceania's corporate governance policies, practices and processes please refer to the Investors' section on the Oceania website — **oceaniahealthcare.co.nz/investor-centre/governance**. This contains the following documents:

Corporate Governance Statement

Constitution

Charters

- Board Charter
- Audit Committee Charter
- Clinical and Health and Safety Committee Charter
- Development Committee Charter
- People and Culture Committee Charter
- Sustainability Committee Charter
- Risk Committee Charter

Policies

- Code of Values and Conduct
- Continuous Disclosure Policy
- Diversity and Inclusion Policy
- External Auditor Independence Policy
- Fraud Policy
- Health and Safety Policy
- Privacy Policy
- Remuneration Policy
- Trading in Company Securities Policy
- Whistleblowing Policy

Dividend Reinvestment Plan Offer Document

As at 31 March 2024, the Board comprised seven Directors. All of the Directors are non-executive Directors. The Board has considered which of the Directors are Independent Directors for the purposes of the NZX Listing Rules, having regard to the rules, including the factors in the NZX Code. The Board has determined that, as at 31 March 2024, all seven Directors are Independent Directors, including the Chair and the Chair of the Audit Committee. As at the date of this Annual Report, the Directors are:

Elizabeth Coutts	Chair, Independent Director	Appointed in November 2014
Alan Isaac	Independent Director	Appointed in October 2015
Dame Kerry Prendergast	Independent Director	Appointed in December 2016
Sally Evans	Independent Director	Appointed in March 2018
Gregory Tomlinson	Independent Director	Appointed in March 2018
Robert Hamilton	Independent Director	Appointed in September 2021
Peter Dufaur	Independent Director	Appointed in September 2021

Committee Membership

The Board has six standing committees to assist in the execution of the Board's duties, being the Audit Committee, the People and Culture Committee, the Clinical and Health and Safety Committee, the Development Committee, the Sustainability Committee and the Risk Committee. As at 31 March 2024, membership of the committees was as follows:

Audit Committee – Alan Isaac (Chair), Elizabeth Coutts, Robert Hamilton

People and Culture Committee – Sally Evans (Chair), Elizabeth Coutts, Alan Isaac

Clinical and Health and Safety Committee – Dame Kerry Prendergast (Chair), Elizabeth Coutts, Sally Evans

Development Committee – Peter Dufaur (Chair), Gregory Tomlinson, Elizabeth Coutts

Sustainability Committee – Robert Hamilton (Chair), Elizabeth Coutts, Sally Evans

Risk Committee – Alan Isaac (Chair), Elizabeth Coutts, Dame Kerry Prendergast, Peter Dufaur

Diversity and Inclusion

Oceania's Diversity and Inclusion Policy is available on its website at **oceaniahealthcare.co.nz/investor-centre/governance**. The Diversity and Inclusion Policy aims to ensure that Oceania has a focus on diversity throughout the organisation. This recognises that a diverse workforce contributes to business growth and performance, helping to drive an inclusive, high performance environment.

The Board considers that the Diversity and Inclusion Policy has been successfully implemented across the business with an excellent balance of gender at Director and officer levels. As at 31 March 2024 (and 31 March 2023 for the prior comparative period), the gender breakdown of the Directors, officers (as that term is defined in the NZX Listing Rules) and employees is as follows:

	31 March 2024			31 March 2023		
Gender	Male	Female	Gender Diverse[1]	Male	Female	Gender Diverse[1]
Directors	4	3	0	4	3	0
Officers	2	4	0	2	3	0
Employees	468	2,497	2	466	2,425	16

Oceania is introducing internal systems and processes to allow regular and efficient monitoring of policy objectives.

Remuneration Report

Remuneration Overview

Oceania presents this remuneration overview for the year ended 31 March 2024. This overview provides details of Oceania's approach to remuneration including incentive plans for executives that were in place for the year ended 31 March 2024 and remuneration received by the CEO and the Directors.

Remuneration Principles

It is recognised that in order to drive sustainable business performance and execute the strategic plan, Oceania must attract and retain people of a high calibre with requisite expertise. Accordingly, the Board sets the remuneration of executives with regard to this and other business objectives.

It is Oceania's policy to align components of executive remuneration with the performance of Oceania and its shareholders. Executive remuneration therefore comprises both fixed and "at risk" (or performance-based) elements which are both short and long-term in nature. The purpose of this policy is to ensure that the interests of the executives, Oceania and its shareholders are aligned during the period over which the business results are realised.

As a result, the remuneration framework is structured to promote the long-term sustainable growth of Oceania with a portion of performance-based senior executive remuneration awarded as rights to equity.

1 Gender diverse is self-identified and includes those who have selected "prefer not to say".

Remuneration Governance

Oceania has established a People and Culture Committee to assist the Board in the conduct of the Board's responsibilities with regard to people and culture, including remuneration. The People and Culture Committee Charter can be found at **oceaniahealthcare.co.nz/investor-centre/governance**.

The People and Culture Committee is responsible for:

- Reviewing and recommending changes to Oceania's remuneration structure, people policies, procedures and practices, objectives and performance;
- Reviewing and recommending changes to the remuneration of the CEO and executives, having regard to Oceania's strategy, vision, values, business objectives and performance, the responsibilities and performance of executives and the general external market; and
- Reviewing and recommending changes to Director fees, taking into account the external market, work load, succession planning and the need to offer competitive fees to attract and retain non-executive Directors of a high calibre.

The Board is responsible for:

- Approving changes to Oceania's remuneration structure, people policies, procedures and practices, objectives and performance;
- Approving changes to the remuneration of the CEO and executives; and
- Recommending changes to non-executive Director remuneration, for approval by shareholders.

The members of the People and Culture Committee during the year ended 31 March 2024 were Sally Evans (Chair), Elizabeth Coutts and Alan Isaac.

Executive Remuneration Framework

Oceania's remuneration structure for executives, including the Chief Executive Officer ("**CEO**"), comprises three elements:

- Total fixed remuneration ("**TFR**");
- Short term incentive ("**STI**"); and
- Long term incentive ("**LTI**").

The following summarises each component of executive remuneration. A summary of the remuneration of the CEO, Brent Pattison, is set out below.

a. Total Fixed Remuneration

Fixed remuneration includes base salary, the provision of a carpark, a vehicle allowance (in some cases) and Kiwisaver contributions. Each executive's fixed remuneration is set based on the individual's position, market relativity, and the individual's qualifications and experience. TFR is reviewed annually.

b. *Short Term Incentive*

The STI is currently a cash payment which is dependent on the achievement of a combination of Oceania and individual performance measures and is capped at a maximum achievement of 100% of base salary.

The performance measures are set by reference to the executive's responsibility and particular projects relevant to that executive and the business or function for which they are responsible. The purpose of the STI is to reward executives for meeting measurable objectives linked to a financial year.

The table below sets out the key terms for the STI plan granted to executives during the year ended 31 March 2024.

Feature	Approach
Purpose	Align individual performance with Oceania objectives Provide individuals with a competitive market position for total reward (i.e. variable and fixed pay components)
Eligibility	Those considered for participation in the STI programme must be able to impact the performance of their work area or function and also contribute to Oceania's overall performance.
Instrument	Cash
Performance criteria	The following criteria must be met before any payments are made: • Underlying EBITDA target for the financial year • Targets related to the delivery of strategic pillar initiatives • Targets focused on delivery key business projects • Achievement of a health and safety target • Achievement of a sustainability target (which may include climate-related metrics and targets)

c. *Long Term Incentive*

For the year ended 31 March 2024, Oceania introduced a share option plan as its LTI for the executive team ("Option Plan"). The Option Plan is intended to provide an incentive to executives, retain key talent within the executive team and align the interests of the executive team and shareholders through the successful execution of Oceania's strategy.

The table below sets out the key terms for the grants made to senior managers under the Option Plan during the year ended 31 March 2024:

Feature	Approach
Eligibility	The Board determines whether an Option Plan will operate and the extent (if any) to which each executive is invited to participate in an Option Plan each year.
Instrument	Participants in the Option Plan will be granted options to acquire ordinary shares from time to time. These options will, subject to those participants' continued employment by Oceania, be exercisable by participants approximately three years from the date on which the relevant share option was granted (or such other date as determined by the Board) for a set exercise price. On exercise of the share options, Oceania will facilitate a cashless (net settled) exercise by issuing such number of shares as is equal to the difference between the then current market value and the exercise price of $0.82, multiplied by the number of share options being exercised, divided by the then current market value. Oceania will pay tax on the participant's behalf for the taxable benefit received by the participant under the plan, but there will be a reduction in the number of shares to be issued to such holder on exercise to the extent the amount of such tax is greater than the tax savings available to Oceania (or a subsidiary) in relation to such benefit.
Vesting period	Approximately three years, being the date on which the relevant share option is granted until 10 business days after announcement of the Company's final results three years later (or such other date as determined by the Board).
Exercise period	Participants have 90 days from the date the share options vest to exercise the share options
Dividends and voting rights	Share options do not have voting rights or entitlement to dividends.
Exercise period	• If a participant ceases to be employed due to an "involuntary event" (such as death, redundancy or total permanent illness or injury), the Board may, in its absolute discretion determine whether the participant's share options may be retained by the participant as if he or she remained employed by Oceania, or whether the vesting of such share options may be accelerated. Any share options that are not retained or vested will lapse. • If a participant ceases to be employed for any other reason, all of the participant's share options will lapse.

In addition to the Option Plan noted directly above, Oceania had a performance share rights plan as an LTI for the executive team under which it made its final offers in the year ended 31 March 2023 ("PSR Plan"). The value and targets for PSR Plan were determined by the Board and are designed to provide an incentive to executives, retain key talent within the executive team and align the interests of the executive team and shareholders through the successful execution of Oceania's strategy.

The table below sets out the key terms for the grants made to senior managers under the PSR Plan during the year ended 31 March 2023:

Feature	Approach
Eligibility	The Board determines whether a PSR Plan will operate and the extent (if any) to which each executive is invited to participate in a PSR Plan each year.
Instrument	Participants receive an allocation of Performance Share Rights. If the performance hurdle is met at the end of a performance period, some or all of the Performance Share Rights will become Qualifying Share Rights. If the participant remains employed with Oceania until the vesting date, the Qualifying Share Rights will vest and be eligible for conversion into ordinary shares in Oceania for nil consideration. On conversion, participants will receive one ordinary share per Qualifying Share Right, less an adjustment for the amount of PAYE tax paid by Oceania on the participant's behalf for the benefit which the participant receives from the scheme.
Performance period	Three years from 1 April 2022 to 31 March 2025.
Performance hurdle	TSR Performance Hurdle: Oceania's total shareholder return in the performance period relative to total shareholder return of the NZX50 group of companies. If Oceania is in the bottom quartile of TSR performance for the NZX50 group, then no Performance Share Rights will become Qualifying Share Rights. If Oceania is between 25% and 75% of TSR performance for the NZX50 group, then Performance Share Rights will become Qualifying Share Rights on a sliding scale. If Oceania is in the top quartile of TSR performance for the NZX50 group, then 100% of Performance Share Rights will become Qualifying Share Rights.
Dividends and voting rights	Performance Share Rights do not have voting rights or entitlement to dividends.
Cessation of employment	• If a participant ceases to be employed due to an Involuntary Event (such as death, redundancy or total permanent illness or injury), the Board may, in its absolute discretion determine whether the participant's Qualifying Share Rights and Performance Share Rights may be retained by the participant as if he or she remained employed by Oceania, or whether the vesting of such Qualifying Share Rights and Performance Share Rights may be accelerated. Any Performance Share Rights that are not retained or vested will lapse. • If a participant ceases to be employed for any other reason, all of the participant's Performance Share Rights and Qualifying Share Rights will lapse.
Vesting	Although Performance Share Rights become Qualifying Share Rights at the end of each year (subject to meeting the performance hurdle), participants must wait until the vesting date for the Qualifying Share Rights to become eligible to convert into ordinary shares.

d. *Employee Share Scheme*

Permanent employees can choose to join Oceania's employee share scheme. Those employees who elected to participate received an allocation of $800 per annum (for full time employees) or $400 per annum (for part time employees) of Oceania shares at no cost. Under the scheme, the shares are held in trust and, in general, only transfer into the employee's name if the employee remains employed by Oceania (or any of its subsidiaries) for three years. It is intended that the employee share scheme will be offered again to all permanent employees as at 31 March 2024.

e. *Senior Leaders LTI Scheme*

Certain senior leaders may be invited to participate in a Senior Leaders LTI scheme that is approved by the Board. The purpose of the Senior Leaders LTI scheme is to provide an incentive to emerging leaders, retain key talent and align the interests of emerging leaders, the Executive Team and shareholders through the successful execution of Oceania's strategy. The Senior Leaders LTI scheme will take the form of a monetary scheme which will build over three years from the commencement date. Senior leaders will be offered an incentive of a specified amount per year that will be paid if the performance hurdle is met and the senior leader remains employed by Oceania at the end of a set period. The Board of Directors is currently considering the structure of the Senior Leaders LTI scheme.

CEO Remuneration

The remuneration for the CEO for the year ended 31 March 2024 is as follows[1]:

	Total fixed remuneration		STI	Subtotal	LTIP PAYE	Remuneration Total
	Base Salary	Other Benefits				
Paid in FY2024[1]	$754,664	$65,947	$154,000	$974,611	$164,015	$1,138,626
Earned in FY2024[2]	$754,664	$65,947	$390,000	$1,210,611	–	$1,210,611

The remuneration paid to the CEO for the year ended 31 March 2023 (being the prior comparative period) was as follows[1]:

	Total fixed remuneration		STI	Subtotal	LTIP	Remuneration Total
	Base Salary	Other Benefits				
Paid in FY2023	$729,240	$116,104	$292,500	$1,137,844	$7685	$1,145,529

1 The total fixed remuneration and STI figures above include all monetary payments actually paid during the course of the year ended 31 March 2024, which include performance incentive payments for the year ended 31 March 2023. The table does not include amounts paid after 31 March 2024 that relate to the year ended 31 March 2024.
2 The total fixed remuneration and STI figures include all monetary amounts earned in respect of the year ended 31 March 2024.

Fixed remuneration

In the year ended 31 March 2024, the CEO, Mr Pattison received fixed remuneration of $820,611. This includes a base salary, the provision of a carpark, a vehicle allowance and Kiwisaver contributions.

STI payment

In the year ended 31 March 2024, Mr Pattison received an STI payment of $154,000 for the achievement of certain targets in the year ended 31 March 2023. Targets were set with reference to a 10% increase in underlying EBITDA, sales and resales volumes, occupancy rates, the number of units under construction, retention of key staff, the number of care centres achieving three or four year certification, a health and safety target and an acquisition target.

In relation to the STI for the year ended 31 March 2024, targets were set with reference to a 6% increase in underlying EBITDA, sales volumes, occupancy rates, the number of units under construction, employer NPS, a health and safety target, a sustainability target and other individual targets. Mr Pattison's STI entitlement under the STI for the year ended 31 March 2024 is $375k and it is expected that Mr Pattison will receive 104% of the STI entitlement in respect of the year ended 31 March 2024. This payment will be made in May 2024.

LTI payment

During the year ended 31 March 2024, Mr Pattison received long term incentive benefits (comprised of Share Options) of $3.0m value at the time of grant.

The performance conditions for the Share Options granted during the year ended 31 March 2024 are described above.

a) Mr Pattison, together with other executives has been invited participate in a share option plan in relation to the performance period 1 April 2023 to 31 March 2026 as described under "Long Term Incentive" above.

Long term incentives in the form of equity instruments received by Mr Pattison to date are:

	Grant Date	Vesting Date	Instrument	Status
LTI2023/2026	1 April 2023	May 2026	7,142,857 Share Options	Unvested
LTI2022/2025	1 April 2022	31 March 2025	395,922 Performance Share Rights	Unvested
LTI 2021/2024	1 April 2021	31 March 2024	375,000 Performance Share Rights	16.6% vested 83.4% lapsed
LTI 2020/2023	15 September 2020	31 March 2023	421,254 Performance Share Rights[1]	50% vested 50% lapsed

Three-year summary – CEO's remuneration

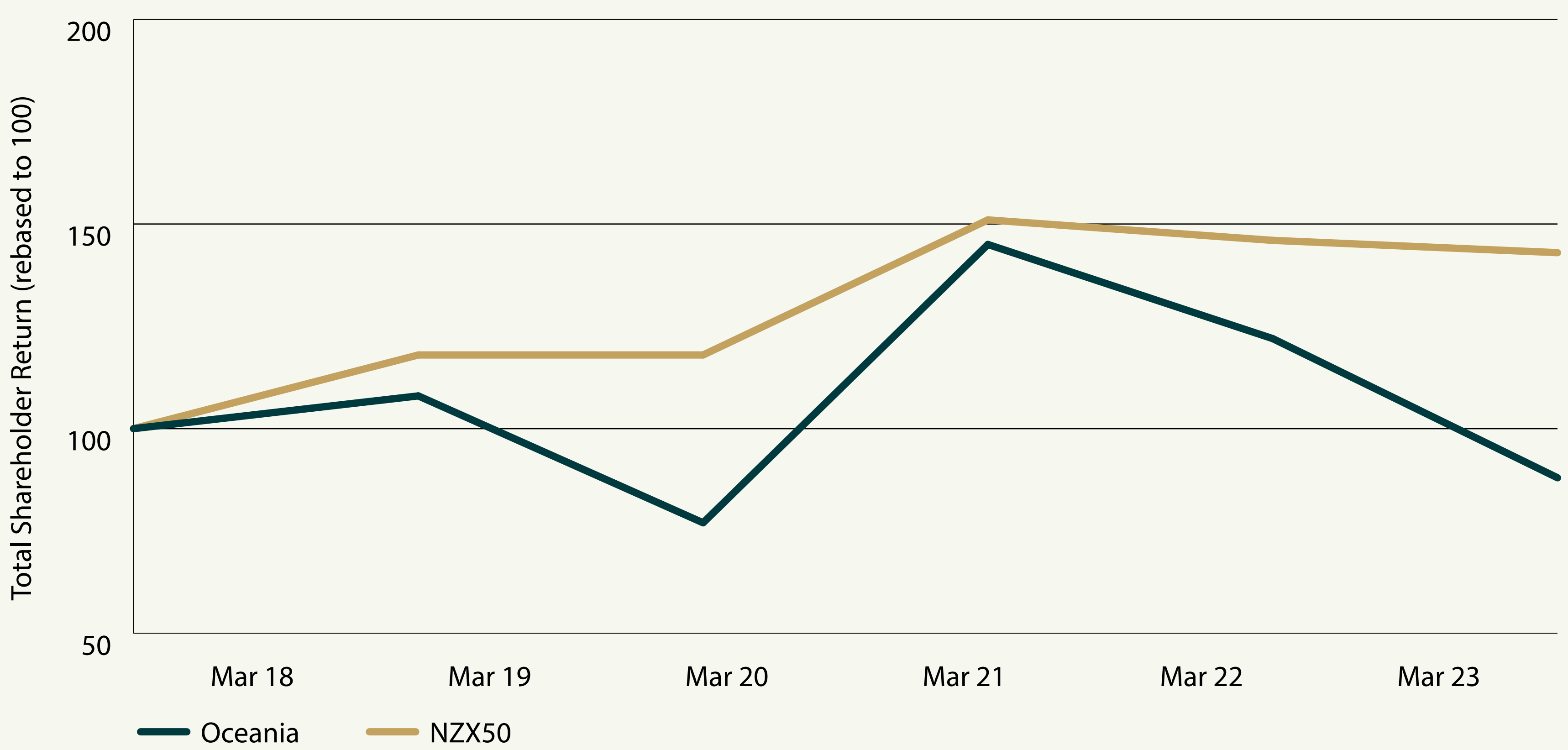
Name		Total Remuneration	Percentage STI against maximum	Percentage vested LTIs against maximum	Span of LTI performance period
Brent Pattison	FY2024	$1,138,626	104%	16.6%	2021-2022 2021-2023; or 2021-2024[2]
	FY2023	$1,145,529	55%	50%	2020-2021, 2020-2022; or 2020-2023[3]
	FY2022	$1,209,067	100%	N/A	N/A

Breakdown of CEO's pay for performance (FY2024)

	Description	Performance measures	Percentage achieved
STI	Set at a gross target amount of 50% of base remuneration (giving a current target of $375,000) and is achievable in each financial year	50% financial performance, 30% strategic business outcome, 20% individual performance	104%
LTI – 2020/2023	Three-year grant	50% based on TSR performance relative to NZX50 group	0%
		50% based on growth in underlying earnings per share being equal to or greater than the target	16.67%

1 Includes 417,442 Performance Share Rights granted in FY2021 and 3,816 Performance Share Rights granted in FY2023.
2 Performance Share Rights in this grant had a measurement date of either 31 March 2022, 31 March 2023 or 31 March 2024, on which date performance against the performance hurdles was measured. All vesting occurred at the end of the three year period, on 31 March 2024.
3 Performance Share Rights in this grant had a measurement date of either 31 March 2021, 31 March 2022 or 31 March 2023, on which date performance against the performance hurdles was measured. All vesting occurred at the end of the three year period, on 31 March 2023.

Total Shareholder Return Performance (Five Year Summary)



Directors' Fees

Directors' remuneration is paid in the form of fees. A higher level of fees is paid to the Chair to reflect the additional time and responsibilities that this position involves. Additional fees are payable in respect of work carried out by the Chairs of the Audit Committee, People and Culture Committee, the Clinical and Health and Safety Committee, the Development Committee and the Sustainability Committee.

Non- executive Directors do not receive performance-based remuneration.

Total remuneration for non-executive Directors is subject to an aggregate fee pool limit. As at 31 March 2024, the maximum fee pool for non-executive Directors was $896,000 (plus GST, if any) per annum. The pool was last fixed at the Annual Shareholders Meeting on 25 August 2023. This maximum fee pool comprises total annual fees payable to non-executive Directors of $871,000 as well as headroom of $25,000 in order to allow for the Board to approve payments to non-executive Directors for assuming additional responsibilities above and beyond the normal duties of either the Board or a Committee.

In the year ended 31 March 2024, the amount paid to non-executive Directors was $871,000 (plus GST and expenses). No payments were made to non-executive Directors for assuming additional responsibilities above and beyond the normal duties of the Board or a Committee for significant strategic work or projects.

Director Remuneration paid in the year ended 31 March 2024

Director	Board Fees	Audit Committee	Clinical and Health and Safety Committee	People and Culture Committee	Development Committee	Sustainability Committee	Total remuneration
Elizabeth Coutts (Chair)	$200,000	–	–	–	–	–	$200,000
Alan Isaac	$100,000	$20,000	–	–	–	–	$120,000
Dame Kerry Prendergast	$100,000	–	$15,000	–	–	–	$115,000
Sally Evans	$100,000	–	-	$12,000	–	–	$112,000
Gregory Tomlinson	$100,000	–	-	–	$12,000	–	$112,000
Robert Hamilton	$100,000	–	-	–	–	$12,000	$112,000
Peter Dufaur	$100,000	–	-	–	–	–	$100,000

The above fees exclude GST and expenses.

Employees' Remuneration

Oceania did not employ people directly in the year ended 31 March 2024. All employees are employed by the subsidiaries of Oceania. The number of employees and former employees of Oceania's subsidiaries, not being a Director of Oceania, who received remuneration and other benefits the value of which was or exceeded $100,000 during the financial year ended 31 March 2024 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 2024, which include performance incentive payments for the year ended 31 March 2023. The table does not include amounts paid after 31 March 2024 that relate to the year ended 31 March 2024.

Remuneration	Number of Employees
$100,000 - $109,999	83
$110,000 - $119,999	70
$120,000 - $129,999	43
$130,000 - $139,999	16
$140,000 - $149,999	15
$150,000 - $159,999	12
$160,000 - $169,999	16
$170,000 - $179,999	11
$180,000 - $189,999	5
$190,000 - $199,999	2
$200,000 - $209,999	1
$210,000 - $219,999	5

Remuneration	Number of Employees
$220,000 - $229,999	1
$230,000 - $239,999	3
$240,000 - $249,999	4
$250,000 - $259,999	1
$260,000 - $269,999	1
$270,000 - $279,999	2
$330,000 - $339,999	1
$450,000 - $459,999	1
$610,000 - $619,999	1
$620,000 - $629,999	1
$670,000 - $679,999	1
$1,140,000 - $1,149,999	1

Statutory Disclosures

Disclosure of Directors' Interests

The following particulars were entered in the Interests Register kept for Oceania and its subsidiaries during the year ended 31 March 2024:

Alan Isaac: Disclosed the following new position: Member of the NZ Markets Disciplinary Tribunal.

Specific Disclosures

There were no specific disclosures made by Directors during the year ended 31 March 2023 of any interests in transactions with Oceania or any of its subsidiaries.

Use of Company Information

During the year ended 31 March 2024, the Board did not receive any notices from Directors requesting use of Oceania's or any of its subsidiaries' information.

Securities Dealings of Directors

Dealings by Directors of Oceania in relevant interests in Oceania's ordinary shares during the year ended 31 March 2024 are entered in the Interests Register:

Director	Number of ordinary shares	Nature of relevant interest	Acquisition / disposal	Consideration (per share)	Date of Transaction
Elizabeth Coutts	15,000	Beneficial Interest	Acquisition	$0.70	4 December 2023
Elizabeth Coutts	15,000	Beneficial Interest	Acquisition	$0.71	24 November 2023
Alan Isaac	30,000	Beneficial Interest	Acquisition	$0.69	24 November 2023
Sally Evans	36,500	Registered and beneficial interest	Acquisition	$0.70	24 November 2023
Elizabeth Coutts	35,000	Beneficial Interest	Acquisition	$0.74	22 June 2023 and 27 June 2023
Elizabeth Coutts	31,896	Beneficial Interest	Acquisition	$0.77	21 June 2023
Alan Isaac	1,956	Beneficial Interest	Acquisition	$0.77	21 June 2023
Dame Kerry Prendergast	4,058	Registered and Beneficial Interest	Acquisition	$0.77	21 June 2023
Sally Evans	2,901	Registered and beneficial interest	Acquisition	$0.77	21 June 2023
Peter Dufaur	866	Registered and beneficial interest	Acquisition	$0.77	21 June 2023
Sally Evans	60,000	Registered and beneficial	Acquisition	$0.79	29 May 2023

Directors' Interests in Shares

Directors of Oceania have disclosed the following relevant interests in shares as at 31 March 2024:

Director	Number of shares in which a relevant interest is held
Elizabeth Coutts	1,999,403 shares
Alan Isaac	344,886 shares
Dame Kerry Prendergast	365,355 shares
Sally Evans	242,985 shares
Gregory Tomlinson[1]	27,882,244 shares
Robert Hamilton	40,500 shares
Peter Dufaur	78,035 shares

Indemnity and Insurance

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

Auditor's Fees

On 28 August 2023, EY replaced PricewaterhouseCoopers as auditor.

Oceania's external auditor is EY. Total fees payable to EY in its capacity as auditor during the financial year ended 31 March 2024 were $588,000. Total fees payable to EY for other assurance services relating to climate related reporting requirements were $93,000. Total fees payable to EY for non-audit services related to remuneration benchmarking services were $19,000. No other fees were paid to EY for other professional services.

Total fees payable to PricewaterhouseCoopers in its capacity as auditor during the financial year ended 31 March 2023 (for the prior comparative period) were $616,000. Total fees payable to PricewaterhouseCoopers for other professional services (being trustee reporting, requested procedures for the LTIP, advice on the Task Force on Climate-Related Financial Disclosures (TCFD) gap analysis and materiality matrix workshop and agreed upon procedures for the Annual Shareholders Meeting) during the financial year ended 31 March 2023 (for the prior comparative period) were $31,000. No other fees were paid to PricewaterhouseCoopers for other professional services.

1 Gregory Tomlinson's relevant interests are legally held by Tomlinson Group Investments Limited and Harrogate Trustee Limited.

Donations

During the year ended 31 March 2024, Oceania paid a total of $31,363 in donations.

Listings

Oceania's shares are listed on the NZX Main Board and the Australian Securities Exchange operated by ASX Limited. Oceania is listed on ASX as a Foreign Exempt Listing, which means that Oceania is required to comply with the NZX Listing Rules but it is exempt from the majority of the ASX Listing Rules. In accordance with ASX Listing Rule 1.15.3, Oceania confirms that it has complied with the NZX Listing Rules for the financial year ended 31 March 2024.

NZX Waivers

Oceania did not apply for or rely upon any waivers from the requirements of the NZX Listing Rules during the financial year ended 31 March 2024.

Credit Rating

Oceania currently has not sought a credit rating.

Former Directors

There have not been any Director resignations during the period 1 April 2023 to 31 March 2024.

Subsidiary Company Directors

Brent Pattison and Kathryn Waugh are the Directors of all Oceania's subsidiaries as at 31 March 2024, with the exception of OCA Employees Trustee Limited (the Directors of which are Elizabeth Coutts and Sally Evans).

No remuneration is payable, and there is no entitlement to other benefits, for any directorship of a subsidiary.

Shareholder and Bondholder Information

Twenty Largest Registered Shareholders

(as at 31 March 2024)

	Registered Shareholder	Number of Shares	% Shares
1	New Zealand Central Securities Depository Limited	239,594,087	33.09%
2	Forsyth Barr Custodians Limited <1-Custody>	54,926,142	7.58%
3	Custodial Services Limited <A/C 4>	28,857,575	3.99%
4	New Zealand Depository Nominee Limited <A/C 1 Cash Account>	26,398,018	3.65%
5	Tomlinson Group Investments Limited	23,831,055	3.29%
6	FNZ Custodians Limited	23,291,527	3.22%
7	Hobson Wealth Custodian Limited <Resident Cash Account>	21,077,330	2.91%
8	Lennon Holdings Limited	14,368,643	1.98%
9	PT (Booster Investments) Nominees Limited	9,475,046	1.31%
10	Forsyth Barr Custodians Limited <Account 1 E>	8,669,102	1.2%
11	H & G Limited	6,150,000	0.85%
12	JB Were (NZ) Nominees Limited <NZ Resident A/C>	5,169,466	0.71%
13	Andrew Craig Strong & Alison Jean Strong	4,621,071	0.64%
14	NZX WT Nominees Limited <Cash Account>	4,123,657	0.57%
15	Harrogate Trustee Limited <Brandywine A/C>	4,051,189	0.56%
16	M A Janssen Limited	3,870,026	0.53%
17	FNZ Custodians Limited <DTA Non Resident A/C>	3,532,715	0.49%
18	FNZ Custodians Limited <DRP NZ A/C>	3,220,949	0.44%
19	Leveraged Equities Finance Limited	2,572,211	0.36%
20	ASB Nominees Limited <100652 MI A/C>	2,315,960	0.32%
	Total	**490,115,769**	**67.68%**

New Zealand Central Securities Depository Limited provides a custodial depository service that allows electronic trading of securities to its members. It does not have a beneficial interest in these shares. Its major holdings of Oceania shares are held on behalf of:

	Name	Number of Shares	% Shares
1	ANZ Wholesale Trans-Tasman Property Securities Fund	35,206,333	4.86%
2	BNP Paribas Nominees (NZ) Limited	28,336,135	3.91%
3	Accident Compensation Corporation	28,121,343	3.88%
4	MFL Mutual Fund Limited	26,754,791	3.69%
5	Generate Kiwisaver Public Trust Nominees Limited	22,887,647	3.16%
6	Citibank Nominees (New Zealand) Limited	15,970,141	2.21%
7	JP Morgan Chase Bank NA NZ Branch Segregated Clients Acct	14,555,284	2.01%
8	HSBC Nominees (New Zealand) Limited A/C State Street	13,377,238	1.85%
9	ANZ Wholesale Australasian Share Fund	13,347,404	1.84%
10	Tea Custodians Limited Client Property Trust Account	12,856,567	1.78%
11	HSBC Nominees (New Zealand) Limited	11,066,876	1.53%
12	Pathfinder Nominees Limited	4,446,395	0.61%
13	ANZ Wholesale Property Securities	3,531,707	0.49%
14	Public Trust Class 10 Nominees Limited	2,708,012	0.37%
15	ANZ Wholesale NZ Share Fund	1,645,961	0.23%
16	ANZ Custodial Services New Zealand Limited	1,569,780	0.22%
17	Public Trust	1,500,000	0.21%
18	BNP Paribas Nominees (NZ) Limited	704,785	0.10%
19	ANZ Wholesale Equity Selection Fund	289,688	0.04%
20	Public Trust RIF Nominees Limited	273,969	0.04%

Spread of Registered Shareholdings

(as at 31 March 2024)

Size of Holding	Number of Shareholders	%	Number of Shares	%
1 – 1,000	962	11.87%	454,254	0.06%
1,001 – 5,000	1,955	24.13%	5,734,353	0.79%
5,001 – 10,000	1,533	18.92%	11,692,947	1.61%
10,001 – 100,000	3,185	39.31%	96,782,739	13.36%
100,001 and over	468	5.77%	609,490,486	84.18%
Totals	**8,103**	**100%**	**724,154,779**	**100%**

Substantial Product Holders

According to notices given under the Financial Markets Conduct Act 2013, the following were substantial product holders of Oceania as at 31 March 2023:

Substantial Product Holder	Number of Shares	% of shares held at date of notice	Date of Notice
ANZ New Zealand Investments Limited, ANZ Bank New Zealand Limited and ANZ Custodial Services New Zealand Limited	54,134,576	7.569	15 December 2022

Twenty Largest Registered Bondholders OCA 010

(as at 31 March 2024)

	Registered Bondholder	Number of Bonds	% Bonds
1	New Zealand Central Securities Depository Limited	27,873,000	27.87%
2	Custodial Services Limited <A/C 4>	23,613,000	23.61%
3	Forsyth Barr Custodians Limited <1-Custody>	11,360,000	11.36%
4	FNZ Custodians Limited	10,719,000	10.72%
5	Hobson Wealth Custodian Limited <Resident Cash Account>	7,967,000	7.97%
6	Investment Custodial Services Limited <A/C C>	2,157,000	2.16%
7	Forsyth Barr Custodians Limited <Account 1 E>	1,081,000	1.08%
8	FNZ Custodians Limited <DTA Non Resident A/C>	875,000	0.88%
9	Richard Barton Adams & Allison Ruth Adams <Adams Family A/C>	751,000	0.75%
10	Hobson Wealth Custodian Limited <Equities DTA Account>	623,000	0.62%
11	JB Were (NZ) Nominees Limited <NZ Resident A/C>	569,000	0.57%
12	Hobson Wealth Custodian Limited <AIL Cash Account>	462,000	0.46%
13	kiwigold.co.nz Limited <Kiwigold A/C>	400,000	0.40%
14	Marianne Mathilde Marie Stoessel	350,000	0.35%
15	Andrew William Gawlik & Susan Mary Gawlik <Scarness A/C>	310,000	0.31%
16	NNZ Wt Nominees Limited <Cash Account>	273,000	0.27%
17	FNZ Custodians Limited <DRP NZ A/C>	218,000	0.22%
18	JB Were (NZ) Nominees Limited <NR USA A/C>	175,000	0.18%
19	Custodial Services Limited <A/C 12>	174,000	0.17%
20	Paul Arnold Aitken	170,000	0.17%
	Total	**90,120,000**	**90.12%**

New Zealand Central Securities Depository Limited provides a custodial depository service that allows electronic trading of securities to its members. It does not have a beneficial interest in these bonds. Its major holdings of Oceania bonds are held on behalf of:

	Name	Number of Bonds	% Bonds
1	Generate Kiwisaver Public Trust Nominees Limited	11,850,000	11.85%
2	HSBC Nominees (New Zealand) Limited	9,553,000	9.55%
3	Tea Custodians Limited Client Property Trust Account	5,900,000	5.90%
4	JP Morgan Chase Bank NA NZ Branch-Segregated Clients Acct	400,000	0.40%
5	Public Trust RIF Nominees Limited	110,000	0.11%
6	Public Trust Class 10 Nominees Limited	60,000	0.06%

Spread of Registered Bondholdings OCA 020

(as at 31 March 2024)

Size of Holding	Number of Bondholders	%	Number of Bonds	%
1,001 – 5,000	56	10.98%	280,000	0.28%
5,001 – 10,000	133	26.08%	1,104,000	1.1%
10,001 – 100,000	293	57.45%	7,996,000	8%
100,001 and over	28	5.49%	90,620,000	90.62%
100,001 and over	468	5.77%	609,490,486	84.18%
Totals	**510**	**100%**	**100,000,000**	**100%**

Risk Management at Oceania

Oceania has maintained an enterprise-wide risk management policy, supported by regular Management and Board reporting on risk management, since 2016. Recognising the increasingly complex sector and environment in which Oceania operates, work is underway to further uplift and mature the risk management framework.

Oceania established a Board Risk Committee this year, which will meet at least three times per year, and has responsibility for the monitoring and oversight of effective risk management at Oceania, including the most significant and strategic risks. The Board has overall responsibility for determining the nature and extent of material risks Oceania is willing to take to achieve its strategic objectives.

Oceania also engages an external service provider for independent evaluation of selected internal controls and risk mitigations, as well as recommending continuous improvements to the control environment. The findings from internal audit are provided to the Risk Committee for oversight and follow up.

Oceania's Top Risks

Management and the Board Risk Committee regularly identify and assess the top risks including risk mitigation plans. The most significant risks that Oceania manages are set out below.

Oceania's senior leaders are collectively accountable for managing these Risks. The Remuneration Policy includes incentives to manage the risks.

	Risk	Response
Macro-economic	The risk of local and global macroeconomic drivers such as equity markets, housing sentiment, inflation and supply chain having a negative impact on the financial wellbeing of Oceania.	Macro-economic conditions, including the New Zealand property market, general economic conditions, and government policy, are closely monitored by management and used to inform financial forecasting and stress testing where required. According to the Reserve Bank of New Zealand, the extent and timing of easing of inflation and interest rates is uncertain but is expected either late in 2024 or early 2025. In the interim, Oceania continues to maintain a strong balance sheet and liquidity.
People	The risk that Oceania is not able to meet its strategic objectives due to staffing capacity, capability or engagement, or poor organisational culture.	The ongoing management of Oceania's workforce in the aged care sector, remains an area of significant focus. A people and culture strategy and plan are being developed and will cover a comprehensive range of initiatives, including remuneration and benefit framework, the implementation of a new human resources information system and a focus on learning and development. Oceania continues to support the growth of the nursing profession through the Wesley Institute.
Climate	Risk from physical climate hazards and the ability to transition business strategy to a low carbon and climate resilient economy. This includes potential physical and transition opportunities which may arise.	Oceania maintains a comprehensive sustainability strategy, resourced with a Sustainability team, and supported by extensive consultation with independent experts where appropriate. In accordance with the Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021, Oceania will release its inaugural climate change report in June 2024.
Cyber, Data & Privacy	The risk that the privacy of Oceania's residents or staff is adversely affected by a cyber-attack, data or privacy breach.	Oceania adopted the National Institute of Standards and Technology (NIST) framework for managing cyber-security threats. Management recently commissioned an independent review of its cyber risk preparedness, part of ongoing uplift of security monitoring and controls. Oceania also has a Privacy Officer, and a privacy framework.
Development & Build	The risk of failure during development of new or existing sites. This could be due to supply chain issues, developer (or subcontractor) failure risk or labour supply risk.	Oceania only engages with highly regarded and experienced construction contractors and consultants, with robust quality assurance, due diligence, health & safety and auditing practices to support end to end contractor management. Management aim for as much fixed pricing as possible in the current market. The broader development pipeline delivery is a function of Oceania's strategy and managed across multiple years in conjunction with oversight of macro-economic and property market risks.
Innovation, Experience & Offerings	The risk of a failure to innovate or offer relevant resident experiences and product, including failure to respond to changes in the competitive environment due to new entrants.	There is a regular pipeline of innovation and new product development to reimagine retirement living and aged care. In recent years, Oceania has launched nurse practitioner services, the resident-centred 5 Ways to Wellbeing programme, a new category of premium offering at The Helier (which includes private care), and new app technology for connecting residents called "Together". Oceania regularly scans the market for competitor offerings, new entrants and emerging resident trends. Technology is expected to play a significant role in innovation and resident offering in the future.
ESG & Corporate Responsibility	The risk that Oceania does not meet its ESG or corporate responsibilities, impairing its "social licence" to operate.	Oceania has a strong focus on ESG matters, including a dedicated Sustainability team, maintenance of a Sustainability Linked Loan, with oversight by the Board Sustainability Committee.

	Risk	Response
Health & Safety	The risk or potential for harm to employees, residents, contractors, or visitors because of business activities.	Oceania has a robust health and safety framework, including regular Board and management oversight and reporting, comprehensive policies and procedures, regular independent audits, ongoing programmes for contractor management, and employee training. As part of Oceania's focus on continuous improvement, a new health and safety system will be implemented to monitor Oceania's health and safety risks. Please see further disclosure on health and safety risks on the opposite page.
Risk of Adverse Resident Event	The risk of an event at a single or multiple sites resulting in adverse resident outcomes, reputational damage and licence to operate.	Oceania has a specific clinical risk management framework, including comprehensive policies, procedures, and formal reporting to the Board Clinical and Health & Safety Committee. Ongoing training, internal and external audits and a learning culture are embedded across Oceania.
Regulatory Reforms	The risk that regulatory reforms require a change in business model.	Management closely monitors government and regulatory developments which may impact Oceania.
Business Continuity	The risk to operations arising from business disruption, including pandemic, other health-related disruptions or physical/natural events.	Oceania has extensive experience in recent years in managing significant business disruption including pandemic and extreme weather events. Emergency management plans and training are in place and regularly tested.
Compliance	The risk of systemic or significant non-compliance with regulatory or legal requirements.	Oceania maintains a compliance management framework, with key compliance obligations embedded into a wide range of operational policies and procedures, with oversight where appropriate by expert functions e.g. Clinical and H&S, Risk and Legal.

Health & Safety

Oceania maintains a comprehensive Health & Safety policy and framework and has a dedicated National Health and Safety team. The Clinical and Health & Safety Board Committee has oversight of Oceania's responsibilities under the Health and Safety at Work Act 2015.

The Clinical and Health & Safety Committee is responsible for ensuring that health and safety has appropriate focus within Oceania through oversight of health and safety risk assessment and mitigation, safety systems, staff capability, staff competency, safety leadership and culture. Health and safety is discussed by management at regular Safety Steering Group meetings.

An integral part of the health and safety framework is a strong health and safety culture, with a focus on identifying, assessing and managing all critical health and safety risks, including role modelling and leadership from all levels of management.

The Health and Safety team work closely with the Clinical team and regional management to ensure well-aligned culture and practices. Oceania also employs Health and Safety Representatives across key business units.

Health and safety reviews are conducted for health and safety incidents and Oceania also undertakes lost time injury frequency reporting, near miss reporting, health and safety inductions, local site health and safety committee meetings, legislative updates and key health and safety initiatives.

Oceania has a health and safety risk matrix to assess the severity and likelihood of identified risks, determine mitigation strategies, and determine the level of residual risk. This matrix is reviewed annually by the Board (and is integrated with the enterprise-wide risk management framework) and annual health and safety objectives are set for the business based on the significant risks identified.

The rolling average Lost Time Injury Frequency Rate (LTIFR) at the end of the FY24 is 7.47 which is considerably lower than the previous year of 10.30, as a result on the continued work on building health & safety culture.

Oceania is part of the Accredited Employer Program (AEP) and remains at Tertiary level after the ACC audit conducted in April 2024.

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