



Results for announcement to the market		
Name of issuer	Ryman Healthcare Limited	
Reporting Period	6 months to 30 September 2020	
Previous Reporting Period	6 months to 30 September 2019	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$222,121,000	6.9%
Total Revenue	\$423,194,000	9.1%
Net profit/(loss) from continuing operations	\$212,401,000	12.8%
Total net profit/(loss)	\$212,401,000	12.8%
Underlying profit (non-GAAP) – see explanation below	\$88,387,000	-14.2%
Interim/Final Dividend		
Amount per Quoted Equity Security	8.8 cents	
Imputed amount per Quoted Equity Security	Not imputed	
Record Date	11 December 2020	
Dividend Payment Date	18 December 2020	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security (cents per share)	481.8	452.5
A brief explanation of any of the figures above necessary to enable the figures to be understood	<p>Underlying profit is a non-GAAP* measure and differs from NZ IFRS profit for the period. Underlying profit does not have a standardised meaning prescribed by GAAP and so may not be comparable to similar financial information presented by other entities.</p> <p>The Group uses underlying profit, with other measures, to measure performance. Underlying profit is a measure that the Group uses consistently across reporting periods.</p> <p>Underlying profit excludes deferred taxation, taxation expense, and unrealised gains on investment properties because these items do not reflect the trading performance of the Company. Underlying profit determines the dividend payout to shareholders.</p> <p>*Generally Accepted Accounting Principles</p>	

Authority for this announcement	
Name of person authorised to make this announcement	David Bennett
Contact person for this announcement	David Bennett
Contact phone number	+64 3 366 4069
Contact email address	david.bennett@rymanhealthcare.com
Date of release through MAP	20 November 2020

Unaudited financial statements accompany this announcement.



MEDIA RELEASE NOVEMBER 20, 2020

Ryman reports unaudited first half underlying profit of \$88.4 million, a decrease of 14.2% due to the impact of COVID-19

Key points:

- Unaudited underlying profit \$88.4 million, a decrease of 14.2% due to COVID-19 challenges
- Reported (IFRS) profit increased 12.8% to \$212.4 million, due to investment property revaluations
- Interim dividend 8.8 cents per share, representing 50% of underlying profit
- Trading activity severely restricted in Victoria for six months due to COVID-19, and for more than two months in New Zealand
- \$50 million investment in pandemic response to protect residents and staff since January 2020
- Total assets \$8.34 billion, up 14.9% on September last year
- Three villages open in Victoria, endeavouring to have five villages open by the end of 2020
- No cases of COVID-19 to date among 12,000 residents and 6,100 staff across New Zealand and Victoria
- Continued strong demand for aged care in New Zealand and Victoria, mature care occupancy at 97%
- Only 1.9% of resale units unsold at the end of September
- Cash collections from new sales of \$275 million anticipated in the second half, up from \$118 million in the second half of last year
- Continued heavy investment in 12 new villages – up from four sites two years ago – creating much needed homes, care and more than 2,000 jobs
- First residents moved into three new villages in first half

Ryman Healthcare's unaudited first half underlying profit has dropped by 14.2% to \$88.4 million, due to the impact of COVID-19.

Unaudited reported (IFRS) profit, which includes unrealised fair value gains on investment property, increased 12.8% to \$212.4 million in the six months to September 30.

Shareholders will receive an interim dividend of 8.8 cents per share in line with underlying profit. The record date for entitlements is December 11, and the dividend will be paid on December 18, 2020.

Chief Executive Gordon MacLeod said the pandemic had increased costs and restricted sales and construction activity in key markets.

But with lockdowns coming off in Victoria and a buoyant housing market in New Zealand, Ryman was expecting conditions to improve in the second half, and the company had a record number of new villages in the pipeline to take advantage of the recovery.

“It has been a tough six months due to the ongoing impact of the pandemic, which increased costs substantially and restricted our ability to sell in key markets during the extended lockdowns,” Mr MacLeod said.

“We’re really pleased with the way our teams have coped with the COVID-19 challenge and it is testament to them that we have not had any cases of the virus among our residents.

“While there is likely to be some ongoing uncertainty due to the pandemic, there is clearly a lot of pent-up demand in the housing market and we are in a good position to continue to invest heavily in new homes and jobs.

“We are anticipating cash collections of at least \$275 million in the second half from new sales. With 12 villages in progress and more on the way, we will be creating more than 2,000 jobs as well as homes and care for more than 4,000 residents.”

Ryman’s integrated villages and high-quality care continued to be in strong demand in the first half, with care occupancy in established villages running at 97%. Only 1.9% of the retirement village portfolio was available for resale at September 30.

Mr MacLeod said the focus in the coming year would continue to be on keeping villages COVID-19 free, developing the team, innovating to improve the experience of living and working in a Ryman community, and delivering new villages to meet demand.

The construction team continued to build at a reduced rate in Victoria and Ryman is planning to have five villages open in the state by December 31, although there is potential for this to be slightly delayed because of COVID-19.

“It was a stretch target when we set it five years ago and it will be a significant achievement by the team. We have built an outstanding record for care and reputation for quality in Victoria and we think this will serve us well in the recovery.”

Ryman is now looking to recruit a chief executive for its Australian operations for the first time as the company gears up to expand in Victoria and into other Australian states.

Dr Kerr said Ryman would not be issuing year-end guidance because of ongoing uncertainties around COVID-19.

The pandemic had reinforced the benefits of living in a retirement village, Dr Kerr said.

“COVID-19 has been a once-in-a-generation challenge and we have learned a lot.

“One thing we know for sure – the security and reassurance of living in a Ryman community is more important than ever. We think this will result in even more demand for the quality of life that we offer in our villages in the years ahead.”

Twelve new villages currently under way:

New Zealand	Australia
Lynfield, Auckland (Murray Halberg)	Brandon Park, Melbourne (Nellie Melba)
Devonport, Auckland (William Sanders)	Burwood East, Melbourne (John Flynn)
River Rd, Hamilton (Linda Jones)	Highton, Geelong, Victoria
Lincoln Rd, Auckland (Miriam Corban)	Ocean Grove, Victoria
Havelock North, Hawkes Bay (James Wattie)	Aberfeldie, Melbourne
Hobsonville, Auckland	
Riccarton Park, Christchurch	

Sites in the land bank:

New Zealand	Australia
Kohimarama, Auckland	Highett, Melbourne
Bishopspark/Park Terrace, Christchurch	Ringwood East, Melbourne
Northwood, Christchurch	Mt Eliza, Victoria
Karori, Wellington	Mt Martha, Victoria
Newtown, Wellington	Coburg, Melbourne

About Ryman: Ryman Healthcare was founded in Christchurch in 1984 and owns and operates 39 retirement villages in New Zealand and Australia. Ryman villages are home to 12,000 residents, and the company employs 6,100 staff.

Contacts: For media information or images contact David King, Corporate Affairs Manager, on 021 499 602 (+64 21 499 602) or email david.king@rymanhealthcare.com

For investor relations information contact Michelle Perkins, Investor Relations Manager, on 027 222 9684 (+64 27 222 9684) or email michelle.perkins@rymanhealthcare.com

RYMAN HEALTHCARE LIMITED

KEY STATISTICS

		Sept 20 Half Year Unaudited	Sept 19 Half Year Unaudited	Mar 20 Full Year Audited
Underlying profit (non-GAAP)¹	\$m	88.4	103.0	242.0
Plus unrealised fair-value movement on retirement-village units	\$m	124.1	92.7	(70.9)
Less deferred tax movement	\$m	(0.1)	(7.4)	93.6
Reported net profit after tax	\$m	212.4	188.3	264.7
Net operating cash flows	\$m	96.4	256.1	449.8
Earnings per share - basic and diluted	cents	42.5	37.7	52.9
Dividend per share	cents	8.8	11.5	24.2
Net tangible assets - basic and diluted	cents	481.8	452.5	452.6
Sales of Occupation Right Agreements				
New sales of occupation rights	no.	121	229	513
Resales of occupation rights	no.	456	454	923
Total sales of occupation rights	no.	577	683	1,436
New sales of occupation rights	\$m	90.0	160.7	386.7
Resales of occupation rights	\$m	237.5	234.8	483.2
Total sales of occupation rights	\$m	327.5	395.5	869.9
Portfolio:				
Aged-care beds	no.	3,951	3,660	3,911
Retirement-village units	no.	7,689	7,071	7,423
Total units and beds	no.	11,640	10,731	11,334
Land bank (to be developed)²				
Aged-care beds	no.	1,703	2,098	1,891
Retirement-village units	no.	4,468	4,976	4,704
Total units and beds	no.	6,171	7,074	6,595

¹ Underlying profit is a non-GAAP* measure and differs from NZ IFRS profit for the period. Underlying profit does not have a standardised meaning prescribed by GAAP and so may not be comparable to similar financial information presented by other entities.

The Group uses underlying profit, with other measures, to measure performance. Underlying profit is a measure that the Group uses consistently across reporting periods.

Underlying profit excludes deferred taxation, taxation expense and unrealised gains on investment properties because these items do not reflect the trading performance of the company. Underlying profit determines the dividend payout to shareholders.

² The land bank is subject to resource and building consent and various regulatory approvals.

*Generally Accepted Accounting Principles

RYMAN HEALTHCARE LIMITED
 Consolidated income statement
 For the six months ended 30 September 2020

Notes	Six months ended 30 Sept 2020 unaudited \$000	Six months ended 30 Sept 2019 unaudited \$000	Year ended 31 March 2020 audited \$000
Care fees	175,774	163,093	333,398
Management fees	44,763	43,913	88,713
Interest received	92	230	547
Other income	1,492	515	1,225
Total revenue	222,121	207,751	423,883
Fair-value movement of investment properties	3	201,073	144,438
Total income	423,194	387,760	568,321
Operating expenses	(185,442)	(168,729)	(349,249)
Depreciation and amortisation expense	(15,660)	(13,751)	(28,616)
Finance costs	(9,590)	(9,557)	(19,309)
Total expenses	(210,692)	(192,037)	(397,174)
Profit before income tax	212,502	195,723	171,147
Income-tax (expense)/credit	(101)	(7,442)	93,563
Profit for the period	212,401	188,281	264,710
Earnings per share			
Basic and diluted (cents per share)	42.5	37.7	52.9

All profit and total comprehensive income is attributable to parent company shareholders and is derived from continuing operations.

The accompanying notes form part of these interim financial statements.



RYMAN HEALTHCARE LIMITED
 Consolidated statement of comprehensive income
 For the six months ended 30 September 2020

	Six months ended 30 Sept 2020 unaudited \$000	Six months ended 30 Sept 2019 unaudited \$000	Year ended 31 March 2020 audited \$000
Profit for the period	212,401	188,281	264,710
<i>Items that may be later reclassified to profit or loss</i>			
Fair-value movement and reclassification of interest-rate swaps	(3,893)	(7,479)	(10,416)
Deferred tax movement on interest-rate swap reserve	1,090	2,094	2,916
(Loss) / Gain on hedge of foreign-owned subsidiary net assets	(3,961)	(2,471)	1,205
Gain / (Loss) on translation of foreign operations	14,501	8,839	(5,674)
	<u>7,737</u>	<u>983</u>	<u>(11,969)</u>
<i>Items that will not be later reclassified to profit or loss</i>			
Revaluation of property, plant and equipment (unrealised)	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income	<u>7,737</u>	<u>983</u>	<u>(11,969)</u>
Total comprehensive income	<u>220,138</u>	<u>189,264</u>	<u>252,741</u>

All profit and total comprehensive income is attributable to parent company shareholders and is derived from continuing operations.

The accompanying notes form part of these interim financial statements.

RYMAN HEALTHCARE LIMITED

Consolidated statement of changes in equity
For the six months ended 30 September 2020

	Issued capital	Asset revaluation reserve	Interest- rate swap reserve	Foreign- currency translation reserve	Treasury stock	Retained earnings	Total equity
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Six months ended 30 Sept 2019 unaudited							
Opening balance	33,290	257,775	(9,643)	(5,876)	(27,465)	1,922,049	2,170,130
Profit and total comprehensive income for the period	-	-	(5,385)	6,368	-	188,281	189,264
Treasury stock movement	-	-	-	-	(5,413)	-	(5,413)
Dividends paid to shareholders	-	-	-	-	-	(59,500)	(59,500)
Closing balance at 30 Sept 2019	33,290	257,775	(15,028)	492	(32,878)	2,050,830	2,294,481
Year ended 31 March 2020 audited							
Opening balance	33,290	257,775	(9,643)	(5,876)	(27,465)	1,922,049	2,170,130
Profit and total comprehensive income for the year	-	-	(7,500)	(4,469)	-	264,710	252,741
Treasury stock movement	-	-	-	-	(4,894)	-	(4,894)
Dividends paid to shareholders	-	-	-	-	-	(117,000)	(117,000)
Closing balance at 31 March 2020	33,290	257,775	(17,143)	(10,345)	(32,359)	2,069,759	2,300,977
Six months ended 30 Sept 2020 unaudited							
Opening balance	33,290	257,775	(17,143)	(10,345)	(32,359)	2,069,759	2,300,977
Profit and total comprehensive income for the period	-	-	(2,803)	10,540	-	212,401	220,138
Treasury stock movement	-	-	-	-	(3,463)	-	(3,463)
Dividends paid to shareholders	-	-	-	-	-	(63,500)	(63,500)
Closing balance at 30 Sept 2020	33,290	257,775	(19,946)	195	(35,822)	2,218,660	2,454,152

The accompanying notes form part of these interim financial statements.

RYMAN HEALTHCARE LIMITED

Consolidated balance sheet

At 30 September 2020

	Notes	30 Sept 2020 unaudited \$000	30 Sept 2019 unaudited \$000	31 March 2020 audited \$000
Assets				
Cash and cash equivalents		20,877	-	34,374
Trade and other receivables		452,729	332,792	425,942
Inventory		27,123	-	-
Advances to employees		13,502	10,996	10,224
Property, plant and equipment		1,476,788	1,456,181	1,386,072
Investment properties	3	6,277,068	5,423,813	5,760,060
Intangible assets		45,210	32,008	38,119
Deferred tax asset (net)		23,825	-	22,455
Total assets		8,337,122	7,255,790	7,677,246
Equity				
Issued capital	6	33,290	33,290	33,290
Asset revaluation reserve		257,775	257,775	257,775
Interest-rate swap reserve		(19,946)	(15,028)	(17,143)
Foreign-currency translation reserve		195	492	(10,345)
Treasury stock		(35,822)	(32,878)	(32,359)
Retained earnings		2,218,660	2,050,830	2,069,759
Total equity		2,454,152	2,294,481	2,300,977
Liabilities				
Trade and other payables	7	155,659	181,648	183,975
Employee entitlements		28,930	25,471	25,678
Revenue in advance		67,549	60,817	64,301
Interest-rate swaps		27,702	20,872	23,809
Refundable accommodation deposits		91,396	61,788	74,571
Bank loans (secured)		2,130,287	1,505,012	1,741,613
Occupancy advances (non-interest bearing)	4	3,367,876	3,015,635	3,247,177
Lease liabilities		13,571	11,297	15,145
Deferred tax liability (net)		-	78,769	-
Total liabilities		5,882,970	4,961,309	5,376,269
Total equity and liabilities		8,337,122	7,255,790	7,677,246
Net tangible assets				
Basic and diluted (cents per share)		481.8	452.5	452.6

The accompanying notes form part of these interim financial statements.

RYMAN HEALTHCARE LIMITED
 Consolidated statement of cash flows
 For the six months ended 30 September 2020

	Notes	Six months ended 30 Sept 2020 unaudited \$000	Six months ended 30 Sept 2019 unaudited \$000	Year ended 31 March 2020 audited \$000
Operating activities				
Receipts from residents		483,070	582,834	1,129,933
Interest received		178	177	573
Payments to suppliers and employees		(229,957)	(166,583)	(345,765)
Receipt from Government for wage subsidy		14,227	-	-
Payments to residents		(160,988)	(150,800)	(315,903)
Interest paid		(10,087)	(9,557)	(19,047)
Net operating cash flows	2	96,443	256,071	449,791
Investing activities				
Purchase of property, plant and equipment		(112,080)	(197,778)	(265,177)
Purchase of intangible assets		(9,462)	(3,819)	(9,712)
Purchase of investment properties		(267,496)	(140,922)	(401,612)
Capitalised interest paid		(17,255)	(17,230)	(34,911)
Advances to employees		(3,278)	(2,843)	(2,071)
Net investing cash flows		(409,571)	(362,592)	(713,483)
Financing activities				
Drawdown of bank loans (net)		367,931	172,268	421,874
Dividends paid		(63,500)	(59,500)	(117,000)
Purchase of treasury stock (net)		(3,463)	(5,414)	(4,895)
Repayment of lease liabilities		(1,337)	(833)	(1,913)
Net financing cash flows		299,631	106,521	298,066
Net (decrease)/increase in cash and cash equivalents		(13,497)	-	34,374
Cash and cash equivalents at the beginning of the period		34,374	-	-
Cash and cash equivalents at the end of the period		20,877	-	34,374

The accompanying notes form part of these interim financial statements.

RYMAN HEALTHCARE LIMITED

Notes to the consolidated interim financial statements
For the six months ended 30 September 2020

Statement of compliance

The financial statements presented are those of Ryman Healthcare Limited (the Company), and its subsidiaries (the Group). Ryman Healthcare Limited is a profit-oriented entity incorporated in New Zealand that develops, owns, and operates integrated retirement villages, resthomes, and hospitals for the elderly within New Zealand and Australia.

Ryman Healthcare Limited is a Financial Markets Conduct Act reporting entity under the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013. Its financial statements comply with these Acts.

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

Basis of preparation

The financial statements for the six months ended 30 September 2020 and the comparative six months ended 30 September 2019 are unaudited.

These financial statements have been prepared under the same accounting policies and methods as the Company's Annual Report at 31 March 2020. These financial statements should be read in conjunction with the financial statements and related notes included in the Company's Annual Report for the year ended 31 March 2020.

The financial statements were approved by the Board of Directors on 19 November 2020.

The information is presented in thousands of New Zealand dollars.

All references to AUD refer to Australian dollars.

COVID-19

The outbreak of COVID-19, declared by the World Health Organization as a global pandemic on 11 March 2020, has resulted in an increase in uncertainty in both global and local markets.

Both New Zealand and Australia have responded well to the virus with strong public health measures and a range of economic stimulus packages. However, despite the response, there remains uncertainty as to the ongoing impact of the virus on market conditions in New Zealand and Australia. Victoria has been through two waves of infection and corresponding lockdowns, succeeding in reducing the spread of infection, and New Zealand has responded with localised increases in alert level to suppress transmission of the virus.

Throughout the pandemic the Group's primary focus has been to protect the safety of both residents and staff. When necessary access restrictions have been put in place at villages, additional personal protective equipment has been procured for staff, and other costs incurred in supporting residents and staff.

Under lockdown conditions the ability of new residents to enter villages is limited, meaning fewer sales can be settled, and the restrictions at development sites results in construction activity being reduced. The Group continues to adapt its policies and procedures to operate in the conditions created by COVID-19.

The Group has assessed the impact of COVID-19 and has concluded that additional uncertainty regarding the valuation of property, plant and equipment and valuation of investment properties has resulted from the pandemic. Further disclosure as to the impact of COVID-19 is included in note 3.

RYMAN HEALTHCARE LIMITED

Notes to the consolidated interim financial statements
For the six months ended 30 September 2020

The Group made a claim under the New Zealand COVID-19 Wage Subsidy scheme. The claim was made on a subsidiary-by-subsidary basis with not all subsidiaries meeting the eligibility criteria of the scheme. As a result of the claim, the Group received a total subsidy of \$14.2 million. The income received under the scheme has been offset against operating expenses.

I. Summary of significant accounting policies

Adoption of new and revised standards and interpretations

In the current period, the Group adopted all mandatory new and amended standards and interpretations.

Standards and Interpretations on issue but not yet adopted

We are not aware of any NZ IFRS Standards or Interpretations that have recently been issued or amended that have not yet been adopted by the Group that would materially impact the Group for the current period ending 30 September 2020.

RYMAN HEALTHCARE LIMITED

Notes to the consolidated interim financial statements
For the six months ended 30 September 2020

2. Reconciliation of net profit after tax for the period with net cash flow from operating activities

	Six months ended 30 Sept 2020 unaudited \$000	Six months ended 30 Sept 2019 unaudited \$000	Year ended 31 March 2020 audited \$000
Net profit after tax	212,401	188,281	264,710
Adjusted for:			
Movements in balance-sheet items			
Occupancy advances	150,570	223,837	482,962
Accrued management fees	(28,665)	(35,271)	(64,051)
Refundable accommodation deposits	16,825	27,775	40,558
Revenue in advance	3,248	2,972	6,456
Trade and other payables	(4,548)	676	5,507
Trade and other receivables	(26,787)	12,022	(81,124)
Inventory	(27,123)	-	-
Employee entitlements	3,252	1,637	1,844
Non-cash items:			
Depreciation and amortisation	14,447	12,908	26,829
Depreciation of right-of-use assets	1,213	843	1,787
Deferred tax	101	7,442	(93,563)
Unrealised foreign-exchange (gain) / loss	(17,418)	(7,042)	2,314
Adjusted for:			
Fair-value movement of investment properties	(201,073)	(180,009)	(144,438)
Net operating cash flows	96,443	256,071	449,791

Net operating cash flows includes net occupancy advance receipts from retirement-village residents of \$291.0 million (six months ended 30 September 2019: \$393.5 million and year ended 31 March 2020: \$755.3 million).

Also included in operating cash flows are net receipts from refundable accommodation deposits of \$12.7 million (six months ended 30 September 2019: net receipts of \$26.6 million and year ended 31 March 2020: net receipts of \$41.1 million).

Net operating cash flows also include management fees collected of \$22.3 million (six months ended 30 September 2019: \$21.2 million and year ended 31 March 2020: \$44.6 million).

RYMAN HEALTHCARE LIMITED

Notes to the consolidated interim financial statements
For the six months ended 30 September 2020

3. Investment properties

	Six months ended 30 Sept 2020 unaudited \$000	Six months ended 30 Sept 2019 unaudited \$000	Year ended 31 March 2020 audited \$000
At fair value			
Balance at beginning of financial period	5,760,060	5,081,607	5,081,607
Additions	284,131	147,316	541,272
Fair-value movement:			
<i>Realised fair-value movement:</i>			
• new retirement-village units	26,143	31,835	105,757
• existing retirement-village units	50,815	55,493	109,565
	76,958	87,328	215,322
<i>Unrealised fair-value movement</i>	124,115	92,681	(70,884)
	201,073	180,009	144,438
Net foreign-currency exchange differences	31,804	14,881	(7,257)
Net movement for period	517,008	342,206	678,453
Balance at end of financial period	6,277,068	5,423,813	5,760,060

The realised fair-value movement arises from the sale and resale of rights to occupy to residents. Investment properties are not depreciated and are fair valued.

The carrying value of completed investment property is the fair value as determined by an independent valuation report prepared by registered valuers CBRE Limited, at 30 September 2020.

Uncertainty due to COVID-19

The valuation of investment properties performed by CBRE Limited at 30 September 2020 is based on the information available to them at the time of the valuation and relies on several inputs.

Given the current situation with COVID-19 there is an increase in the estimation uncertainty in determining the fair value of investment property at 30 September 2020 compared to previous years. The material valuation uncertainty included within the New Zealand valuation at 31 March 2020 has been removed. This has been replaced with CBRE commenting on market uncertainty within their New Zealand valuation. The material valuation uncertainty included in the valuation of the villages located in Victoria at 31 March 2020 remains in the valuation at 30 September 2020.

Given the heightened uncertainty and unknown impact that COVID-19 may have on real estate markets in the future, a higher degree of caution should be exercised when relying upon the valuation. Values and incomes may change more rapidly and significantly than during standard market conditions.

Comparable transactions and market evidence has been limited during the pandemic and CBRE have placed less reliance on previous market evidence for comparison purposes.

RYMAN HEALTHCARE LIMITED

Notes to the consolidated interim financial statements
For the six months ended 30 September 2020

3. Investment properties (continued)

To reflect this uncertainty CBRE Limited adjusted their assumptions on recycle frequencies for independent units at mature villages, near-term house price inflation for independent units, and discount rates in their valuation at 31 March 2020. As the level of uncertainty has decreased and markets have become more accustomed to operating under COVID-19 conditions, CBRE have reversed some of the adjustments in determining the valuation at 30 September 2020. Near-term growth-rate assumptions remain reduced when compared to valuations performed pre-Pandemic.

Key assumptions

The valuer used significant assumptions that include long-term house-price inflation (ranging from 0 percent to 4.05 percent nominal) (30 September 2019: 0.5 percent to 3.5 percent and 31 March 2020: -2.0 percent to 3.5 percent) and discount rate (ranging from 12 percent to 16 percent) (30 September 2019: 12 percent to 16 percent and 31 March 2020: 12.25 percent to 16.25 percent).

Work in progress

Investment property includes investment property work in progress of \$645.6 million (six months ended 30 September 2019: \$318.9 million and year ended 31 March 2020: \$508.2 million), which has been valued at cost.

4. Occupancy advances (non-interest bearing)

	Six months ended 30 Sept 2020 unaudited \$000	Six months ended 30 Sept 2019 unaudited \$000	Year ended 31 March 2020 audited \$000
Gross occupancy advances (see below)	3,837,383	3,427,688	3,686,813
Less management fees and resident loans	(469,507)	(412,053)	(439,636)
Closing balance	3,367,876	3,015,635	3,247,177
Movement in gross occupancy advances			
Opening balance	3,686,813	3,203,851	3,203,851
Plus net increases in occupancy advances:			
• new retirement-village units	90,052	160,726	386,673
• existing retirement-village units.	50,815	55,493	109,566
Net foreign-currency exchange differences	19,568	8,766	(4,276)
Decrease in occupancy advance receivables	(9,865)	(1,148)	(9,001)
Closing balance	3,837,383	3,427,688	3,686,813

Gross occupancy advances are non-interest bearing.

RYMAN HEALTHCARE LIMITED

Notes to the consolidated interim financial statements
For the six months ended 30 September 2020

5. Dividend

On 20 November 2020 an interim dividend of 8.8 cents per share was declared and will be paid on 18 December 2020 (prior year: 11.5 cents per share). The record date for entitlements is 11 December 2020.

6. Share capital

Issued and paid-up capital consists of 500,000,000 fully paid ordinary shares (30 September 2019: 500,000,000 and 31 March 2020: 500,000,000). All shares rank equally in all respects.

Basic and diluted earnings and net tangible assets per share have been calculated on the basis of 500,000,000 ordinary shares (30 September 2019: 500,000,000 and 31 March 2020: 500,000,000 shares).

Shares purchased on market under the leadership share scheme are treated as treasury stock until vesting to the employee.

7. Trade and other payables

Trade payables are typically paid within 30 days of invoice date or the 20th of the month following the invoice date. Other payables at 30 September 2020 includes \$69.3 million (30 September 2019: \$105.4 million and 31 March 2020: \$102.4 million) for the purchase of land.

RYMAN HEALTHCARE LIMITED

Notes to the consolidated interim financial statements
For the six months ended 30 September 2020

8. Operating segments

The Ryman Group operates in one industry, being the provision of integrated retirement villages for older people in New Zealand and Australia.

In presenting information based on geographical areas, net profit, underlying profit, and revenue are based on the geographical location of operations. Assets are based on the geographical location of the assets.

	New Zealand	Australia	Group
	\$000	\$000	\$000
Six months ended 30 Sept 2020 unaudited			
Revenue	197,789	24,332	222,121
Underlying profit/(loss) (non-GAAP)	88,661	(274)	88,387
less deferred tax expense	(5,889)	5,788	(101)
plus unrealised fair-value movement	121,880	2,235	124,115
Profit for the period	204,652	7,749	212,401
Non-current assets	6,694,217	1,128,674	7,822,891
Six months ended 30 Sept 2019 unaudited			
Revenue	194,817	12,934	207,751
Underlying profit (non-GAAP)	92,812	10,230	103,042
less deferred tax expense	(19,804)	12,362	(7,442)
plus unrealised fair-value movement	79,352	13,329	92,681
Profit for the period	152,360	35,921	188,281
Non-current assets	6,016,085	895,917	6,912,002
Year ended 31 March 2020 audited			
Revenue	383,117	40,766	423,883
Underlying profit (non-GAAP)	199,877	42,154	242,031
plus deferred tax credit	86,142	7,421	93,563
plus unrealised fair-value movement	(44,092)	(26,792)	(70,884)
Profit for the year	241,927	22,783	264,710
Non-current assets	6,260,370	946,336	7,206,706

Underlying profit is a non-GAAP (Generally Accepted Accounting Principles) measure and differs from NZ IFRS profit for the period. Underlying profit does not have a standardised meaning prescribed by GAAP and so may not be comparable to similar financial information presented by other entities. The Group uses underlying profit, with other measures, to measure performance. Underlying profit is a measure that the Group uses consistently across reporting periods.

Underlying profit excludes deferred taxation, taxation expense, and unrealised movement on investment properties because these items do not reflect the trading performance of the Company. Underlying profit determines the dividend pay-out to shareholders.

RYMAN HEALTHCARE LIMITED

Notes to the consolidated interim financial statements
For the six months ended 30 September 2020

9. Commitments

The Group had commitments relating to construction contracts amounting to \$211.9 million at 30 September 2020 (30 September 2019: \$147.4 million and 31 March 2020: \$200.9 million).

The Group has an ongoing commitment for maintaining the land and buildings of the integrated retirement villages, resthomes, and hospitals.

10. Subsequent events

Other than the dividends in note 5, there are no subsequent events.