ANNUAL REPORT 2015

RYMAN HEALTHCARE

CONTENTS

Cover: Group sales manager Debbie McClure, who relocated to Melbourne to lead Ryman's sales expansion into Australia, with Joan Logan, Ryman's first Australian resident. Debbie celebrates 25 years with Ryman this year.

Residents at the premiere of Saturday Night Fever - follow up to the world-famous Happy video

2015 Highlights

- Underlying profit up 15.3% to $136.3m
- 13th consecutive year of profit growth
- First village successfully opened in Melbourne, second site acquired
- Target set to open five Melbourne villages by 2020
- Six new villages under way in Auckland

Record profit in a landmark year

I am pleased to report on a landmark year for Ryman Healthcare.

We have made great progress on a number of fronts, and the momentum of the past year has given us the confidence to set some bold new targets for the coming years.

Dr David Kerr

Underlying profit grew by 15.3 per cent to $136.3 million, driven by unprecedented demand for our villages in Melbourne and Auckland. Our reported profit, including unrealised gains, rose to $241.9 million.

Ryman has delivered profit growth each year for the past 13 years. The company has doubled in size in the past five years.

The fundamentals driving our business are starting to pick up speed. There is strong demand for both retirement living and for care, and, as expected, this demand is growing because of the rapidly ageing population.

Our strategy of constant reinvestment in building our portfolio is paying dividends. We now have 28 villages open in New Zealand and Australia, and another eight in development.

Year ended 31 March	2015 $m	2014 $m
Underlying Profit	**136.3**	**118.2**
Plus unrealised revaluations of RV units	+105.7	+85.1
Less deferred tax movement	-0.1	-8.5
Less taxation expense	-	-
Reported Net Profit	**241.9**	**194.8**

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.

Shareholders' dividend increased by 15 per cent

We have continued our policy of sharing our success with shareholders, and we have again matched the growth in profit with a similar increase in dividend. The dividend has been increased by 15 per cent, with a total annual dividend to shareholders of 13.6 cents per share. We have maintained our policy of paying out 50 per cent of underlying profit to shareholders.

Investment in staff and systems

Our number one priority is to ensure that our residents are genuinely delighted to live in a Ryman village.

This would not happen without great staff and we have again invested heavily to ensure they are happy and have the resources and skills they need to do the job.

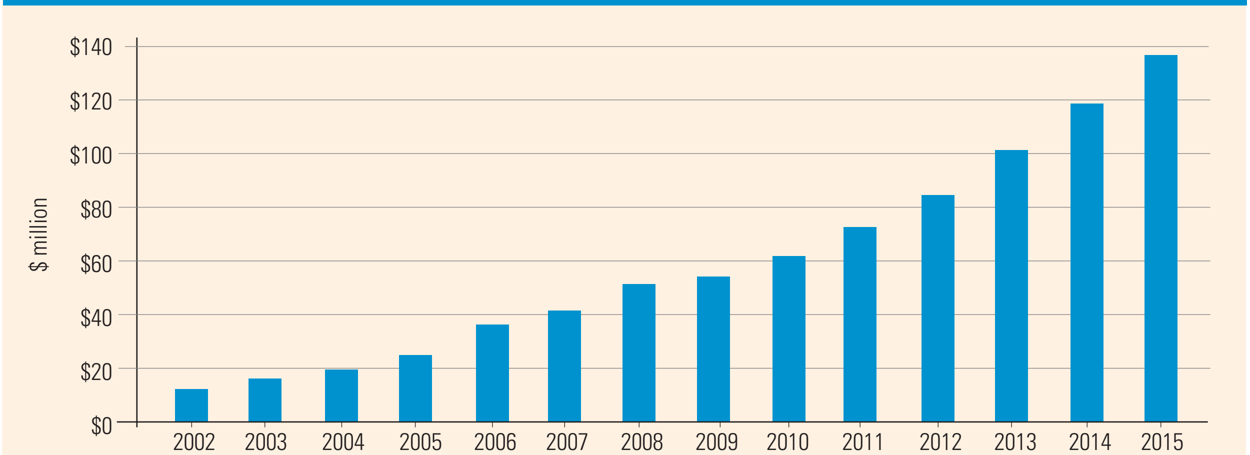
We have increased our caregiver pay rates by a total of 16 per cent over the past three years, which makes us one of the top payers in the sector.

We decided a number of years ago that their pay should not be linked to the Government subsidy for the sector since it was unlikely to keep up with what is a fair rate of pay for them.

We also pay for staff training and development and over 700 staff took the opportunity to upskill themselves during the year. This number has grown dramatically in the past year and it is pleasing to see staff taking these opportunities.

You can see we are clearly on a path to ensure our caregiving staff are well compensated and get the training that enables them to deliver the care that is part of this company's DNA.

13 years of underlying profit growth



Simon Challies and John Dunlop at the grand opening of Weary Dunlop Retirement Village

Milestone in Melbourne

The opening party at the Weary Dunlop Retirement Village in Melbourne in August marked the culmination of a lot of hard work but also the start of an exciting new chapter in Ryman's history.

The company bought the site at Wheelers Hill in 2011, and the village's first residents moved in on Anzac Day in 2014. The Anzac Day arrivals coincided nicely with the naming of the village in honour of one of Victoria's favourite sons – war hero and surgeon Sir Edward 'Weary' Dunlop.

More than 400 residents and guests gathered to mark the opening with the Ryman team and special guests John Dunlop, Weary Dunlop's son, and Monash Mayor Geoff Lake.

Chairman Dr David Kerr thanked the residents for putting their trust in Ryman and assured them the company would do its utmost to look after them in their new home.

City of Monash Mayor Geoff Lake said many of the city's residents had lived in the area for 30-plus years and had no desire to leave.

"Places like the Weary Dunlop Retirement Village give Monash's older residents the opportunity to downsize while still living in the community they love," he said.

Weary's son John Dunlop said he believed his father would have been pleased to see the village opened.

"His attitude was that he would do anything he could to help people, particularly if they were from an ex-service background. After the war, he committed himself to their ongoing care and management".

"(The village) is therefore pretty much in keeping with what he would have wanted. I think if he'd been approached by Ryman he would have agreed. He would have been keen to see the facility open and to lend his support to it."

The village will be home to more than 300 residents within one year of opening and its final stages are now under construction.

The Ryman construction team will then relocate down the road to Brandon Park, the site of Ryman's next Melbourne village.

Mike Cashin Scholarship winner Betelehem Ketema

Staff training numbers grow

Ryman's education and training team was busier than ever during the year as staff numbers grew.

The number of staff in training grew during the year after Ryman won Government funding for a pilot programme which included the opportunity for housekeeping staff to study for qualifications on the job for the first time. In the past year more than 700 staff undertook NZQA-recognised qualifications

In addition seven scholarships for foreign-trained nurses were given out, and education scholarships for another five staff wanting to train as nurses were awarded.

Betelehem Ketema from Rita Angus Retirement Village in Kilbirnie was the winner of the 2015 Mike Cashin Scholarship.

The 18-year-old student worked part-time at Rita Angus Retirement Village in Kilbirnie, where her mother Azeb Kebede also works as a caregiver. Three of Betelehem's sisters – Rahel, Eskedar and Jerusalem also work at the village.

The family moved to New Zealand as refugees from Ethiopia when Betelehem was three. Betelehem is using the scholarship to help fund her oral health degree at Otago University.

The Cashin Scholarship is awarded every year. It was set up in memory of Mike Cashin, a former Ryman director. Mike believed strongly in the power of education to change lives and the scholarship is our tribute to him.

Expansion in Melbourne and Auckland

It has truly been a landmark year for Ryman.

We reached a watershed moment when we opened Weary Dunlop in Melbourne in August 2014. It opened a whole new chapter for this company.

We had to adapt to a new country with a whole different set of rules and conditions, and to build a new team in Melbourne.

We hoped the village would be well received by the community. In fact, it sold faster than we thought possible and exceeded all of our targets.

Weary Dunlop provided compelling proof of our belief that the Ryman model was well suited to Australia.

It is well known that the Australian economy is facing some strong headwinds, and a sluggish economy is always challenging for business.

However, the sector in which we operate is different, in that the growth opportunities we see far outweigh the challenges that the general economy faces.

This is because our transactions are driven by a resident's needs. When a family decides someone needs care, other considerations don't apply. In other words it is a needs-based decision and not a lifestyle decision.

As a result of our success at Weary Dunlop we have now set a target of having five villages in Melbourne by 2020.

Shareholders should be clear that this is a major expansion for us but it will be taken in our usual measured approach and we are in a strong financial position to launch our plans.

We think our success in Auckland over the past year has been equally significant for Ryman.

We opened Bruce McLaren Retirement Village in Howick just before Christmas.

It was built faster and sold more quickly than anything we have built in all our years in the sector.

Presales for Pukekohe have set new records, and demand for our Birkenhead village is also extremely promising.

The combination of the Melbourne success, the sales rates at our new Auckland villages, and the fact our landbank is so strong I suggest demonstrates that there is something different about the Ryman you see today, compared to several years ago.

The villages are higher value propositions, we are building them faster and they are selling at a rate we haven't seen before.

And to support our growth we have a land bank full of prime sites to give the board confidence in our trajectory.

We are comfortable with the trajectory, but we are also determined, as a board, to make sure that we grow in our usual sustainable way.

Demographic change

The background to our expansion plans remains the compelling demographic change that we are experiencing.

Investors will be aware that the number of people aged 75+ will nearly triple over the next 30 years. There will be another 500,000 New Zealanders in this age group by 2045.

Our business model is built around expanding our capability to meet the demand we see coming.

In terms of our care business we think the change is almost upon us, with strong evidence of a shortfall in care facilities from 2018.

We are already busy. Demand for care is growing and occupancy in our care facilities is running at 96 per cent. We have already invested heavily in care over recent years, adding about 2,000 beds over the past 10 years. Without our extra beds capacity in New Zealand would have gone backwards.

Ministry of Health analysis shows that another 5,500 beds will be required by 2020. We think it will be a major challenge for the sector to gear up to meet that demand.

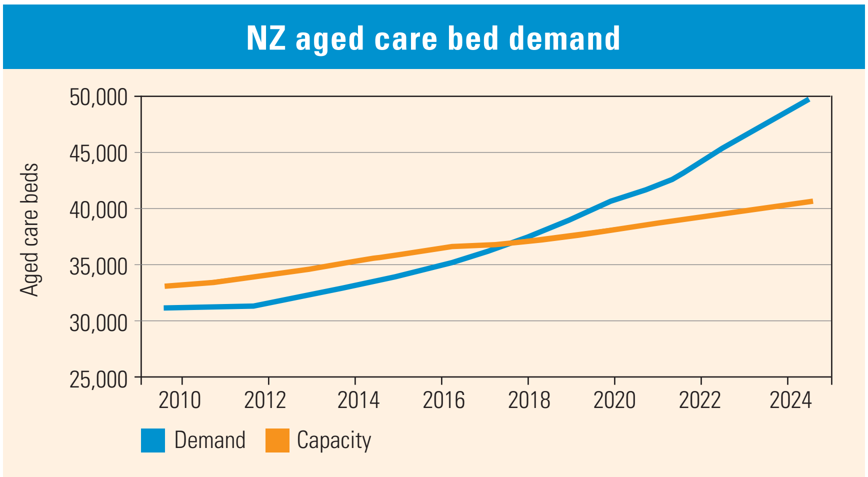
So, I suspect there will be some families who will be severely limited in the choices they can make in the near future, as the sector's supply of beds is simply not going to be keeping up with demand.

Investing in building more care beds is expensive, but we are committed to serving older New Zealanders and in particular the residents in our villages.

Staff share incentives

It is the board's policy to encourage management and staff to participate in the long term success of Ryman and ensure their interests are aligned with those of shareholders. The assistance on offer is greater this year after we extended the scheme to a wider group of approximately 150

The entrance view of our new Birkenhead village



managers and leaders to ensure their interests are aligned with those of the company. In accordance with section 79 of the Companies Act 1993, we have included with this annual report disclosure of the details regarding financial assistance of up to $10 million that we intend to provide under the management and all staff schemes.

Board changes

It has been a year of change for our board also. Andrew Clements stepped down from the board after 15 years as a director. Andrew made a huge contribution to Ryman over this time, and his energy, wisdom and enthusiasm for Ryman over such a long period was much appreciated.

We recognised during the year that the workload of the board had grown considerably and so we decided to make two new appointments, with new directors Claire Higgins and Doug McKay joining the board.

Claire is an experienced director from Melbourne and she brings a considerable amount of experience in the aged care sector.

Claire has extensive experience as a CFO in listed Australian organisations including BHP subsidiaries, and she brings a wealth of local connections and insight into the Melbourne market.

Doug is a very experienced chief executive who has operated in complex international and domestic operations. He also has very well-tuned commercial acumen.

Before going into governance Doug was the chief executive of Auckland City, and CEO of Independent Liquor and Sealord. He is also a director of BNZ, IAG NZ Ltd and Genesis Energy.

The addition of Claire and Doug has lifted the board's numbers to eight and given us a broader range of experience. The board is focused on the growth path ahead and there is a strong desire not to lose the core values that have been a long-standing feature of Ryman.

Betsy-Jane Deck with Janine Snape, the 2014 winner of Ryman's outstanding nursing achievement award

We have also established a new health and safety committee to prepare for changes to New Zealand regulations and to recognise the importance of our safety-first approach.

Annual meeting and director nominations

This year's annual meeting will be held at 2pm on Wednesday 29 July at the Bruce McLaren Retirement Village at 795 Chapel Rd in Howick.

A notice of meeting has been issued with this report, and we warmly welcome investors to attend the meeting and to have a look at the new village.

Claire Higgins and Doug McKay will be standing for election at this year's meeting. Warren Bell and Jo Appleyard will retire by rotation and are standing for re-election. Their profiles can be found on pages 14 and 15 of this report.

We have recommended that Deloitte be reappointed as auditor for the 2016 financial year. We engage Deloitte solely in an audit capacity to ensure its independence is not impaired.

Vote of thanks

It is my belief that Ryman is a superb company because of the strong bond between our residents and our staff.

Our residents are incredibly supportive of us and our efforts to support them to live life to the fullest. They and their families entrust their care with us, and we take that responsibility very seriously.

They are loyal, they are energetic and they are fun, and I never leave one of our villages without being uplifted by the interactions I see.

Our frontline staff – the carers, the nurses, housekeepers, chefs, gardeners, maintenance staff and all the other village staff – do a great job of looking after our residents.

They are engaged, they are compassionate and they care.

They are backed by a terrific support team around the country who make sure that the villages are well designed, well built and maintained and operated to a high standard.

The entire effort is directed by a talented and long-serving management team who make Ryman's success look easy. As a board we realise it isn't easy, and we appreciate the effort and commitment they put in each day.

Finally, thanks to our many loyal shareholders for your support of us.

Dr David Kerr
Chairman

Sally Burrage and caregiver Anjeline Chand at the Malvina Major Wearable Arts Awards


Simon Challies

Happy is a great way to sum up the year just gone.

The Happy video (see the story right) neatly sums up what I think makes Ryman great – an incredibly close bond between residents and our staff. That creates a positive energy that you can sense in our villages, and makes them a great place to be.

As managing director I see it as my job to make sure those two groups are happy. If one isn't it has a direct impact on the other. And if those two aren't content then it is likely that you, as shareholders, will not be benefitting from your investment in Ryman.

So it is the trinity of happy residents, happy staff and happy shareholders that we, as a team, are always trying to achieve.

This year we have launched a number of initiatives that we believe are going to enhance both the resident and staff experiences of Ryman Healthcare.

New initiatives

During the year we launched Ryman Engage, a tailored activities programme which includes everything from daily exercise classes to poetry reading, music concerts and Men's Sheds. The aim is to have a programme with variety and challenge that keeps our residents happy and engaged.

We have improved lines of communication with staff with a new intranet and a social media platform to keep everyone informed and up-to-date.

Another innovation that I believe will lift the experience of staff and residents alike is our decision to commission fashion designer Annah Stretton to design a new uniform for all Ryman staff.

Annah's brief was to come up with a set of uniforms that were beautiful as well as functional.

We think that the new uniforms will lift our residents' days as well.

We tried out the prototypes and the response from staff was enthusiastic, although they gave us a few things to go back and work on. I never thought I would know so much about hemlines.

Of all our initiatives I believe myRyman is the one likely to have the biggest impact on residents and staff alike.

myRyman is all about improving communication between residents, relatives and staff and ultimately improving the care experience.

It is an app that means that all inputting can be done using a mobile touch screen device.

All the information we hold about a resident will be available to staff and will be able to be updated in each resident's room instantly.

So, instead of spending hours at a central terminal inputting information, staff can spend more time with the residents, taking vital signs and notes and entering the information in their company.

Because the information is available instantly we believe it will lead to better care outcomes. It is easy to use, intuitive, increasing the time our staff are able to spend one on one with residents.

We see it as a way of increasing the face-to-face time our staff have with residents, and also reducing paperwork at the same time.

myRyman is in the early stages of the pilot at one village and we will roll it out once successful trials are complete.

Expansion plans

As David has outlined we have set some ambitious goals to roll out new villages in Melbourne and Auckland.

We are on target to open three new villages each year from 2017. This will include one new village in Melbourne, one in Auckland and one elsewhere in New Zealand.

Alister Leckie performing in 80-odd years of Happy

7.5 million fans can’t be wrong!

It was a year that will go down in Ryman’s history as the one when residents and staff created an internet sensation by proving that you are never too old to be happy.

The story began when participants in our Triple A exercise classes discovered they loved performing Pharrell Williams’ Happy.

A plan was hatched to perform flashmobs at malls around the country.

The residents enjoyed the flashmobs, but wanted more.

So the Ryman team mobilised to film residents and staff at Diana Isaac Retirement Village in their own version of the international hit with 79-year-old Alister Leckie in the starring role.

Our version – 80-odd-years-of-Happy - was posted on YouTube without any fanfare in July and has now been viewed more than 7.5 million times.

As the hits grew it attracted international media coverage, featuring on Huffingtonpost.com, People.com, Fox, The Daily Mail, NBC Today, The Sun, CNN, ITV (UK), Channel 4 (UK) and Channel 10 (Australia), The Age and The Sydney Morning Herald.

It also attracted a lot of coverage at home, with TVNZ, Fairfax and the New Zealand Herald featuring it.

Among the fans was Pharrell Williams himself, who tweeted his encouragement for our village stars.

Our follow up, Saturday Night Fever was filmed at Edmund Hillary Retirement Village and has been viewed more than 150,000 times.

Ryman’s talent-spotting team is on the look out for our next bunch of stars. www.80oddyearsofhappy.com

Those of you who have followed us for a long time will be well used to our cycle of reinvestment and belief in a compounding portfolio.

In 2010 we had 20 villages, 6000 residents, and our underlying profits were a little over $60 million. At that time we were building 400 beds and units a year.

Today we have 27 villages in New Zealand, one in Australia and 9000 residents, and underlying profit of $136 million.

By 2020, we expect to have 36 villages open, including five in Melbourne. We will have 15,500 residents and we will be building 1200 beds and units a year.

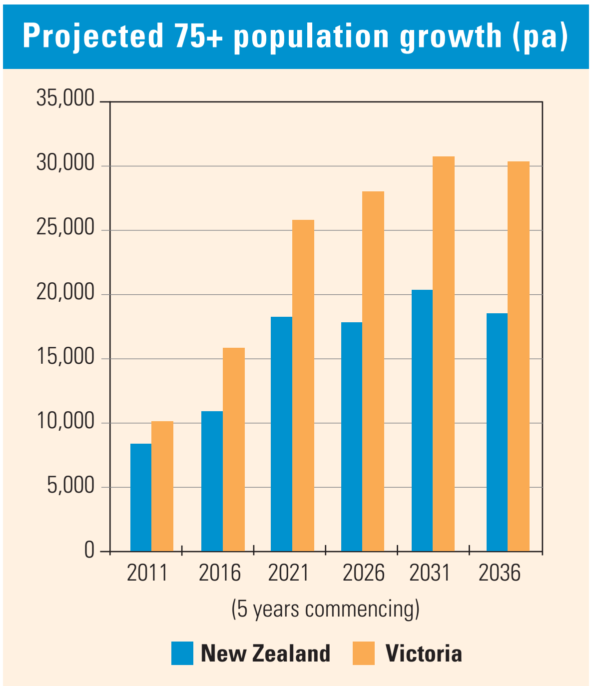
We are about to enter the largest period of growth in the ageing population that the world has seen. So you can see why we think there are huge opportunities ahead for this company.

Higher value villages

The success we have had in Melbourne and Auckland is driven by the demographics, our unique continuum of care and brand reputation.

Our numbers show that the areas of greatest need – where good quality villages and care beds are in short supply – are in the two big metropolitan we operate in.

Melbourne is a city of 4 million, and villages like Weary Dunlop, where residents are offered a continuum of care, are a rarity.

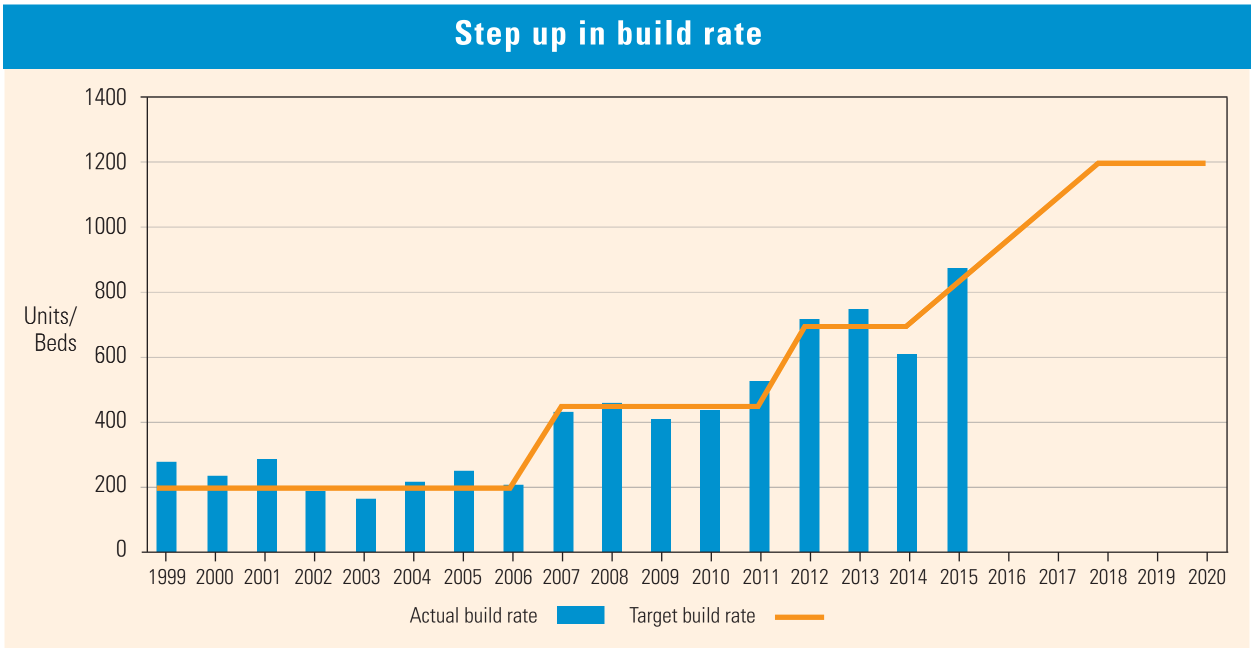


Our approach to care for residents and our fair terms have been warmly received in Melbourne.

Our villages in Auckland, as David mentioned, are in great demand and we think there is a shortage of care beds looming.

These markets are providing better returns, so that is why we think our investments are best concentrated in Melbourne and Auckland.

Greeta Hulme, Simon Challies and Jan McLaren at the grand opening of the Bruce McLaren village



We have four years' stock in our landbank in New Zealand and the team is looking to add to our landbank in Melbourne.

Current build programme

Our construction team has been busier than ever in 2015.

In Melbourne, Stage 3 of Weary Dunlop is open and work is under way on the final stages. The last stage of Bruce McLaren in Howick is under construction and the village has been a record breaker.

Work at Birkenhead and Pukekohe is now well under way and both villages will be completed next year.

We have never seen anything like Pukekohe. Demand is unprecedented, we had over 500 people at our first public meetings and the townhouses are selling off the plans as fast as we can design them.

Birkenhead has also been a fast seller because of a shortage of care in the area. We know exactly the same is true of our sites at Devonport, Tropicana and Greenlane.

It is this combination of great demand and excellent sites that makes our Auckland expansion so exciting.

Our Bob Scott village in Petone is on track for opening later this year and again the demand has been strong.

We have had a warm welcome from the Petone community. Naming the village after Bob Scott proved to be a popular choice in the rugby-mad Petone community.

In terms of timing we expect to see substantial progress at Petone, Birkenhead, Pukekohe, Greenlane and Rangiora in the year.

Detailed design and consenting work will be carried out on our new villages at Brandon Park in Melbourne, and Tropicana and Devonport in Auckland in the year. Our building completions will be skewed towards the second half of the year as projects are completed.

Charity work

Ryman residents and staff are hard to match when it comes to fundraising. As a company we think it is important to contribute, and we match dollar-for-dollar everything they raise.

Our charity partner this year has been the Neurological Foundation. We partnered with the foundation to bring renowned dementia speaker Dr Helena Popovic to all our villages. Helena's message about using a healthy lifestyle to fight the worst that dementia could throw at a family was a hit around the country and in Melbourne with close to 10,000 people attending.

The earthquakes in Nepal also struck a chord with residents and staff, with funds raised going to Sir Edmund Hillary's Himalayan Trust.

We also introduced new sponsorship initiatives with the Royal New Zealand Ballet and Bowls New Zealand and we continued our long term support of the Dame Malvina Major Foundation and the New Zealand Symphony Orchestra.

I'd like to thank Dame Malvina in particular for her support, she sang at the opening of Bruce McLaren and Essie Summers villages.

Annah at the launch of Ryman's new prototype uniforms

Annah's high-fashion look for Ryman staff

Ryman staff will soon by sporting new uniforms designed by fashion designer Annah Stretton.

Annah's brief was to create new uniforms that were comfortable, practical and beautiful.

"We wanted garments that bring a smile to the faces of residents, increase the level of pride in what staff wear and emphasise the vital role they play in residents' lives," Annah said.

The designs are based on high fashion items that sell in Annah's stores around the country. Each garment has been developed with different roles in mind, so that the designs and textiles suit the task. For example laundry staff have a much lighter fabric because they work in a warm environment.

Ryman staff members have provided a large amount of feedback to the prototype designs which was taken on board as the team work on the final versions.

The uniforms feature flattering cuts and include practical trousers for caregivers and plenty of pockets. They're also designed to be beautiful, with features such as floral prints, bows and stylised Ryman logos.

She's a part of the Ryman family and the delight she and the talented members of her foundation bring to our residents is a pleasure to see.

Future plans

As I said at the outset, it has been a happy year for Ryman in a number of ways. Our results this year were a highlight among many, but I am incredibly proud of the fact that we have turned in such strong growth over such a long sustained period. We are not aware of any other listed company which has matched our rate of growth.

We aren't sitting back and enjoying our success though. We will continue to innovate and to challenge ourselves to do better. We know there will be plenty of demand ahead of us, but it won't be handed to us on a plate. Looking after thousands of people is never easy, it is a complicated business. As long the risks are well managed there is potential for great reward.

I'm lucky to work with a group of people who are as fired up as I am about looking after our residents and making this company a success.

Thanks for your support and I look forward to reporting our progress in another year's time.

Simon Challies
Managing Director

The restored Sacred Heart Chapel at Jane Winstone in Wanganui

Long-serving staff from Essie Summers, led by Rosemary Deane, celebrate at the reopening of the village after an extensive rebuild. The Christchurch village was damaged in the February 2011 earthquake and its aftershocks but managed to stay open.

Its subsequent rebuild has added another 50 per cent to its capacity, including a hospital and dementia care centre, and its name was changed from Beckenham Courts to Essie Summers. Essie was born in Christchurch and was one of New Zealand's most successful romance writers.

Dr David Kerr
MB CHB, FRNZCGP
Chairman

Joined 1994

Dr David Kerr is a general practitioner.

David has held the role of chairman of Ryman Healthcare since 1999.

He is a director of Pharmac Limited, chairman of Eco Central and a director of Forte Health.

David is a Fellow and Past President of the New Zealand Medical Association and has been awarded a Fellowship with Distinction by the Royal New Zealand College of General Practitioners.

Kevin Hickman
Director

Co-founder 1984

Kevin Hickman co-founded Ryman Healthcare. He held the role of managing director in a joint capacity from 1984 and in a sole capacity from 2002 to 2006.

Kevin has considerable experience as a director and manager of a diverse range of businesses in the private sector, including the retail, telecommunications and manufacturing sectors.

Kevin's family trust remains a significant shareholder in Ryman Healthcare.

Jo Appleyard
LLB (Hons)
Director

Joined 2009

Jo Appleyard is a partner with Chapman Tripp, and is a skilled advocate and litigator specialising in commercial, employment and resource management law.

Prior to her appointment as a director, Jo had acted for Ryman Healthcare for a number of years on employment and resource management matters, both of which are pivotal to the success of the company.

Doug McKay
BA, AMP (Harvard),
ONZM, Director

Joined 2014

Doug McKay is an experienced board director with current appointments at IAG NZ Insurance, BNZ, Genesis Energy, Eden Park Trust Board (chair) and Chartered Accountants Australia New Zealand.

He was previously chair of Griffins Foods, and Independent Liquor.

Doug's executive career included CEO and MD roles at corporates including Procter and Gamble, Lion Nathan, Carter Holt Harvey, Goodman Fielder, Sealord and Auckland Council. In 2015 Doug was made an Officer of the New Zealand Order of Merit for services to business and local government.

Warren Bell
M COM, CA
Director

Joined 2011

Warren Bell is an experienced public and private company director, and was previously an audit partner with Deloitte. He is currently chairman of Hallenstein Glasson and St George's Hospital, and is a director of a number of private companies.

Warren is chairman of the Audit & Financial Risk Committee.

Claire Higgins
B COM, FCPA, FAICD
Director

Joined 2014

Claire Higgins is a professional director and consultant with extensive board experience in Australia and New Zealand.

She is chair of the Country Fire Authority in Victoria, REI Superannuation Pty Ltd, and had a long career at BHP and OneSteel Limited before becoming a professional director.

George Savvides
BE (Hons), MBA, FAICD
Director

Joined 2013

George is managing director of Medibank, Australia's largest health insurer, and has 20 years' experience in the Australian healthcare industry.

He is chairman of World Vision Australia. He also represents Australia as the vice president on the Council of the International Federation of Health Plans and is a member of the Business Council of Australia.

George lives in Melbourne and is a Fellow of the Australian Institute of Directors.

Simon Challies
LLB, B COM, FCA
Managing Director

Joined 1999

Simon joined the company as chief financial officer, and was appointed chief executive in 2006 and then managing director in 2010.

Simon holds a Bachelor of Commerce and Law from the University of Canterbury and is a Fellow of the Chartered Accountants Australia New Zealand.

Top accolades for Ryman

Ryman Healthcare's trophy cabinet got a boost with a number of awards during the year.

Simon Challies was named the Deloitte Top 200 Executive of the Year, which is New Zealand's most prestigious business accolade.

The judges said Simon was a master of detail and a consistent top performer who had devoted himself to the company for a long, long time with great results.

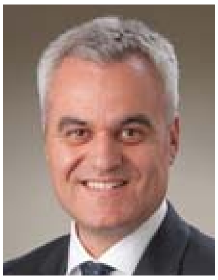
He said he was pleased to win, defying his son Sam's prediction that he "had no show."

Ryman was also named Reader's Digest's Most Trusted Brand in the retirement sector and received top honours.

In addition Ryman was ranked by the Boston Consulting Group as one of the Top 10 healthcare businesses in the world for its returns to shareholders.

In 2013 Ryman Chairman Dr David Kerr was named chairman of the year and in 2012 Ryman won company of the year at the Top 200 awards.

Tracey and Simon Challies at the Deloitte Top 200 Awards.



Gordon MacLeod
Deputy Chief Executive / CFO
Joined 2007

Gordon was previously a Corporate Finance Partner with Pricewaterhouse Coopers and Finance Director of a London listed hi-tech engineering company. Gordon holds a Bachelor of Commerce and is a Chartered Accountant.

Barbara Reynen-Rose
Operations & Clinical Services Manager
Joined 1992

Barbara began as a nurse manager, was appointed Director of Nursing in 1997 and was promoted to Operations Manager in 2002. She holds an Advanced Diploma in Nursing, a Post Graduate Diploma in Management and a Masters in Health Sciences (Gerontology).

Debbie McClure
Group Sales Manager
Joined 1990

Debbie joined Ryman as a village administrator, following a 10 year career in the banking sector.

She moved into sales in 1998, and was promoted to Group Sales Manager in 2002. She moved to Melbourne in 2013 to lead Ryman's sales expansion in Victoria.

Tom Brownrigg
Construction Manager
Joined 2006

Tom has over 20 years' experience in the construction industry in New Zealand and the United Kingdom, in roles ranging from carpentry to project management. He's overseen the construction of 15 Ryman villages.

Taylor Allison
Design Manager
Joined 2000

Taylor has over 30 years' design experience in the civil and structural design fields, and has overseen the design of 23 Ryman villages in New Zealand and Australia.

Andrew Mitchell
Development Manager
Joined 2007

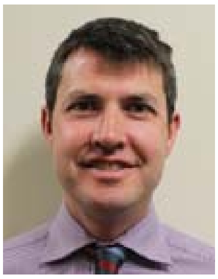
Andrew joined Ryman after working as a Regional Development Manager for Sunrise Senior Living in the UK. He holds a Bachelor of Commerce in Valuation and Property Management.

Philip Mealings
Property / Purchasing Manager
Joined 2000

Philip joined Ryman after several years as purchasing manager with an associated company Ben Rumble Communications.

Jenn Poskitt
Marketing Manager
Joined 2009

Jenn joined Ryman as Marketing Co-ordinator and was promoted to her current role in 2011. She holds a Bachelor of Science (Marketing and Management) from Oklahoma State University.



David King
Corporate Affairs Manager
Joined 2013

David joined Ryman following a 21-year career in journalism in New Zealand and the UK, which included editing and senior management roles. He holds a Bachelor of Arts (Hons) and a Journalism Certificate.

Five year summary

For the year ended 31 March 2015		2015	2014	2013	2012	2011
Financial						
Underlying Profit	$m	136.3	118.2	100.2	84.1	72.1
Reported Net Profit After Tax	$m	241.9	194.8	136.7	120.8	100.2
Net Operating Cash Flows	$m	234.0	238.4	222.2	169.2	133.1
Net Assets	$m	1,101.3	926.7	734.5	647.2	565.8
Interest bearing Debt to Equity ratio	%	37%	30%	31%	33%	28%
Dividend per Share	Cents	13.6	11.8	10.0	8.4	7.2
Villages						
Sales of Occupation Rights [1]	No.	1,175	977	985	780	699
New Units and Beds Built	No.	875	607	743	710	521
Land bank (to be developed) [2]	No.	4,228	4,208	2,402	2,229	2,141
Portfolio:						
Aged Care Beds	No.	2,807	2,517	2,400	2,174	1,852
Retirement Village Units	No.	4,792	4,207	3,791	3,274	2,886
Total Units and Beds	No.	7,599	6,724	6,191	5,448	4,738

1 New and existing retirement village units.
2 Includes retirement village units and aged care beds.

Consolidated income statement

For the year ended 31 March 2015

	Note	2015 $000	2014 $000
Care fees		182,371	165,344
Management fees		43,397	36,550
Interest received		644	597
Other income		700	732
Total revenue		**227,112**	**203,223**
Fair value movement of investment properties	7	217,624	174,019
Total income		**444,736**	**377,242**
Operating expenses	1	(182,344)	(155,201)
Depreciation expense	2	(10,767)	(9,045)
Finance costs	3	(9,594)	(9,709)
Total expenses		**(202,705)**	**(173,955)**
Profit before income tax		**242,031**	**203,287**
Income tax expense	4	(113)	(8,482)
Profit for the period		**241,918**	**194,805**
Earnings per share:			
Basic and diluted (cents per share)	13	48.4	39.0

Consolidated statement of comprehensive income

For the year ended 31 March 2015

	Note	2015 $000	2014 $000
Profit for the period		**241,918**	**194,805**
Items that may be reclassified subsequently to profit or loss:			
Fair value movement and reclassification of interest rate swaps	14	(2,864)	4,729
Movement in deferred tax related to interest rate swaps	14	802	(1,324)
Gain on hedge of foreign owned subsidiary net assets	14	1,765	293
(Losses)/gains on translation of foreign operations	14	(2,081)	(293)
		(2,378)	3,405
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of property, plant and equipment (unrealised)	6,14	-	51,232
Deferred tax impact on revaluation reserve	14	-	-
		-	51,232
Other comprehensive income		**(2,378)**	**54,637**
Total comprehensive income		**239,540**	**249,442**

Note: all profit and total comprehensive income is attributable to Parent Company shareholders and is from continuing operations.
The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 31 March 2015

	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
Balance at 1 April 2013	**33,290**	**125,574**	**(4,677)**	**-**	**(6,725)**	**587,007**	**734,469**
Profit and total comprehensive income for the period	-	51,232	3,405	-	-	194,805	249,442
Treasury stock movement	-	-	-	-	(2,165)	-	(2,165)
Dividends paid to shareholders (Note 15)	-	-	-	-	-	(55,000)	(55,000)
Closing Balance at 31 March 2014	**33,290**	**176,806**	**(1,272)**	**-**	**(8,890)**	**726,812**	**926,746**
Balance at 1 April 2014	**33,290**	**176,806**	**(1,272)**	**-**	**(8,890)**	**726,812**	**926,746**
Profit and total comprehensive income for the period	-	-	(2,062)	(316)	-	241,918	239,540
Treasury stock movement	-	-	-	-	(2,465)	-	(2,465)
Dividends paid to shareholders (Note 15)	-	-	-	-	-	(62,500)	(62,500)
Closing Balance at 31 March 2015	**33,290**	**176,806**	**(3,334)**	**(316)**	**(11,355)**	**906,230**	**1,101,321**

The accompanying notes form part of these financial statements.

Consolidated balance sheet

As at 31 March 2015

	Note	2015 $000	2014 $000
Assets			
Cash and cash equivalents		409	1,754
Trade and other receivables	5	196,853	105,949
Advances to employees	24	3,549	2,828
Property, plant & equipment	6	676,706	583,934
Investment properties	7	2,434,631	2,034,549
Total assets		**3,312,148**	**2,729,014**
Equity			
Issued capital	13	33,290	33,290
Asset revaluation reserve	14	176,806	176,806
Interest rate swap reserve	14	(3,334)	(1,272)
Foreign currency translation reserve	14	(316)	-
Treasury stock	14,24	(11,355)	(8,890)
Retained earnings	14	906,230	726,812
Total equity		**1,101,321**	**926,746**
Liabilities			
Bank overdraft	8	-	-
Trade and other payables	9	100,986	116,145
Employee entitlements	10	12,090	10,660
Revenue in advance		32,081	27,282
Interest rate swaps	18	4,631	1,767
Refundable accommodation deposits		11,846	-
Bank loans (secured)	11	407,175	277,178
Occupancy advances (non interest bearing)	12	1,580,172	1,306,701
Deferred tax liability (net)	4	61,846	62,535
Total liabilities		**2,210,827**	**1,802,268**
Total equity and liabilities		**3,312,148**	**2,729,014**
Net tangible assets per basic and diluted share (cents)	13	220.3	185.3

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 March 2015

	Note	2015 $000	2014 $000
Operating activities			
Receipts from residents	21	582,085	529,772
Interest received		827	629
Payments to suppliers and employees		(184,719)	(151,358)
Payments to residents		(155,365)	(130,482)
Interest paid		(8,820)	(10,176)
Net operating cash flows	21	**234,008**	**238,385**
Investing activities			
Purchase of property, plant & equipment		(122,198)	(85,336)
Purchase of investment properties		(166,323)	(141,518)
Capitalised interest paid		(11,143)	(4,889)
Advances to employees		(721)	559
Net investing cash flows		**(300,385)**	**(231,184)**
Financing activities			
Drawdown of bank loans		129,997	51,191
Dividends paid		(62,500)	(55,000)
Purchase of treasury stock (net)		(2,465)	(2,165)
Net financing cash flows		**65,032**	**(5,974)**
Net (decrease) / increase in cash and cash equivalents		**(1,345)**	**1,227**
Cash and cash equivalents at the beginning of period		1,754	527
Cash and cash equivalents at the end of period		**409**	**1,754**

The accompanying notes form part of these financial statements.

Summary of significant accounting policies

Statement of compliance

The financial statements presented are those of Ryman Healthcare Limited ("the Company"), and its subsidiaries (collectively, "the Group"). Ryman Healthcare Limited is a profit-oriented entity incorporated in New Zealand and 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 reporting entity for the purposes of the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013, and its financial statements comply with these Acts.

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable financial reporting standards as appropriate for profit-oriented entities.

The consolidated financial statements also comply with International Financial Reporting Standards ("IFRS").

The Group is a Tier 1 for profit entity in terms of XRBA1.

Basis of preparation

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 March 2015, and the comparative information presented in these financial statements for the year ended 31 March 2014.

The information is presented in thousands of New Zealand dollars.

All reference to AUD refers to Australian dollars.

Measurement base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Group, with the exceptions that:

- certain property, plant and equipment are subject to revaluation (refer note 6).
- investment property is measured at fair value (refer note 7).
- certain financial assets and liabilities are measured at fair value (refer note 18).

Critical judgements in applying accounting policies

In the process of applying the Group's accounting policies management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from direct sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in the following accounting policies and notes:

- Valuation of property, plant and equipment – policy (e) and note 6.
- Valuation of investment property – policy (d) and note 7.

Summary of significant accounting policies

- Management fees – policy (b).
- Expected manner of realisation of assets and liabilities and utilisation of tax losses – policy (l) and note 4.

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements of the Group.

(a) Basis of consolidation - purchase method

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the Group, being the Company (the parent entity) and its subsidiaries as defined in NZ IFRS-10 'Consolidated Financial Statements'. A list of subsidiaries appears in note 22 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

All significant inter-company transactions and balances are eliminated in full on consolidation.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Income and expenses for each subsidiary whose functional currency is not New Zealand dollars are translated at exchange rates which approximate the rates at the actual dates of the transactions. Assets and liabilities of such subsidiaries are translated at exchange rates prevailing at balance date. All resulting exchange differences are recognised in the foreign currency translation reserve which is a separate component of equity.

(b) Revenue recognition

Care fees
Care facility and retirement village service fees are recognised on an accruals basis.

Management fees
Management fees in respect of retirement village units are recognised on a straight line basis over the period of service, being the greater of the expected period of tenure, or the contractual right to revenue. The expected periods of tenure, based on historical experience across our villages, are estimated to be seven years for independent units and three to four years for serviced units.

Interest received
Interest income is recognised in the income statement as it accrues, using the effective interest method.

(c) Borrowing costs

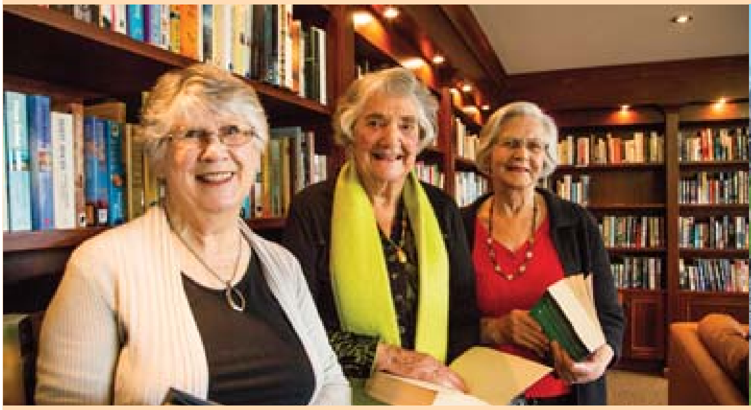
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for use.

All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

(d) Investment properties

Investment properties include land and buildings, equipment and furnishings relating to retirement village units and community facilities, including units and facilities under development. They are intended to be held for the long term to earn rental income and for capital appreciation.

Retirement village units and community facilities are revalued on a semi-annual basis and restated to fair value as determined by an independent registered valuer. Any




Summary of significant accounting policies

change in fair value is taken to the income statement. The fair value is determined using discounted cash flow methodology.

Rental income from investment properties, being the management fee and retirement village service fees, is accounted for in accordance with accounting policy (b).

(e) Property, plant & equipment

Property, plant & equipment comprises completed care facilities, corporate assets and land and care facilities under development. All property, plant & equipment is initially recorded at cost. Typically these costs include the cost of land, materials, wages and interest incurred during the period that is required to complete and prepare the asset for its intended use.

Following initial recognition at cost, completed care facility land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet unless it reverses a revaluation decrease of the same asset previously recognised in the income statement in which case the increase is credited to the income statement to the extent of the decrease previously charged.

Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same asset in the asset revaluation reserve.

In addition, any accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(f) Depreciation

Depreciation is provided on all property, plant & equipment, other than freehold land, at straight line ("SL") rates calculated to allocate the assets' cost or valuation, less estimated residual value, over their estimated useful lives, commencing from the time the assets are held ready for use, as follows:

Buildings	2% SL
Plant and equipment	10-20% SL
Furniture and fittings	20% SL
Motor vehicles	20% SL

No depreciation is provided in respect of investment properties.

(g) Impairment of assets

At each interim and annual balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Summary of significant accounting policies

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately unless the asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately unless the asset is carried at fair value in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Operating leases

Leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to the income statement on a straight line basis over the periods of expected benefit.

(i) Revenue in advance

Revenue in advance represents those amounts by which the management fees over the contractual period exceed recognition of the management fee based on expected tenure.

(j) Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand, cash in banks and on demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. This includes all call borrowing such as bank overdrafts used by the Group as part of its day-to-day cash management.

Trade and other receivables
Trade receivables are measured at amortised cost less any impairment. This is equivalent to fair value being the receivable face (or nominal) value, less appropriate allowances for estimated irrecoverable amounts (which are recognised in the Income Statement when there is objective evidence that the receivable is impaired). The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Advances to employees are on the same basis.

Occupancy advances
Occupation Agreements confer to residents the right of occupancy of the retirement village unit for life, or until the resident terminates the agreement.

Amounts payable under Occupation Agreements ("occupancy advances") are non-interest bearing and recorded as a liability in the balance sheet, net of management fees receivable. The resident occupancy advance is initially recognised at fair value and subsequently at amortised cost. As the resident may terminate their occupancy with limited notice, and the occupancy advance is not interest bearing, it has demand features and is therefore carried at face value, which is the original advance received. The

Summary of significant accounting policies

advance is repayable following both termination of the Occupation Agreement and settlement of a new occupancy advance for the same retirement village unit.

Trade and other payables
Trade and other payables are measured at amortised cost. This is equivalent to the face (or nominal) value of payables which is assumed to approximate their fair value.

Interest bearing loans and borrowings
Loans and borrowings are initially recorded at fair value, less directly attributable transaction costs. Subsequent to initial recognition, loans and borrowings are measured at amortised cost, with any differences from the initial amount recognised and the redemption value being recognised in profit and loss using the effective interest rate method. In practice this means that Group interest bearing borrowings are recognised at face (or nominal) value due to the repayment and cost of borrowing terms associated with them.

Interest rate swaps
The Group enters into interest rate swaps to manage cash flow interest rate risk.

Interest rate swaps are initially recognised at fair value on the date a contract is entered into and are subsequently remeasured to their fair value at each reporting date. When Group swap arrangements meet the requirements of cash flow hedge accounting, changes in the fair value of interest rate swaps are recognised in other comprehensive income and accumulated as a separate component of equity.

Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit.

Fair value estimation
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The face (or nominal) value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

Hedges of a net investment
Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for by including the gains or losses on the hedging instrument relating to the effective portion of the hedge in other comprehensive income while any gains or losses relating to the ineffective portion of the hedge are recognised in profit or loss.

(k) Employee entitlements

A liability for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave is accrued and recognised in the balance sheet when it is probable that settlement will be required and they are capable of being measured reliably. The liability is equal to the present value of the estimated future cash outflows as a result of employee services provided at balance date.

(l) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or in equity.

Current tax
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax
Deferred tax is provided using the comprehensive balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not provided for in respect

Summary of significant accounting policies

of non depreciating assets included within property, plant and equipment and investment properties.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates expected to apply in the period of settlement, based on tax rates enacted or substantively enacted.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle current tax assets and liabilities on a net basis.

(m) Treasury stock

Shares purchased on market under the senior management share scheme are treated as treasury stock on acquisition at cost. On vesting to the employee, treasury stock shares are credited to equity and an employee advance is recorded initially at fair value and subsequently at amortised cost. Any loss on disposal by the Company (e.g. when the employee does not elect to take full responsibility for the loan, or when the employee leaves prior to the end of the 3 year restrictive period) accrues to the Company and is taken directly against equity. The Directors estimate the fair value of these employee advances when purchasing the shares on market, which is then spread over the employee's three year vesting period and taken to the income statement.

(n) Consumables

Purchases of supplies by the villages are expensed in the period they are incurred.

(o) Maintenance costs

Maintenance costs are accounted for in the period they are incurred.

(p) Statement of Cash Flows

The Statement of Cash Flows is prepared exclusive of Goods and Services Tax ("GST"), which is consistent with the method used in the Income Statement. Cash and cash equivalents comprise cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and includes all call borrowing such as bank overdrafts used by the Group as part of their day-to-day cash management.

Operating activities represent all transactions and other events that are not investing or financing activities, and includes receipts and repayments of occupancy advances. Investing activities are those activities relating to the acquisition and disposal of investments and any other property, plant and equipment or investment properties. Financing activities are those activities relating to changes in the equity and debt capital structure of the Group and those activities relating to the cost of servicing the Company's equity capital.

(q) GST

Revenues, expenses and assets and liabilities are recognised net of the amount of GST except that:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivables or payables in the balance sheet.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Summary of significant accounting policies

(r) Foreign Currency Translation

Functional and Presentation Currency
Both the functional and presentation currency of Ryman Healthcare Limited and its New Zealand subsidiaries is New Zealand dollars ($). The functional currency for its Australian subsidiaries is Australian dollars (AUD$).

Transactions and Balances
Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences on foreign currency borrowings relating to the effective portion of a hedge of a net investment in foreign operations and differences arising on translation of a foreign operation are recognised in other comprehensive income and accumulated in reserves.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

(s) New and changes in accounting policies

The Group has adopted the following accounting policy from 1 April 2014.

Refundable accommodation deposits
Refundable accommodation deposits relate to deposits held on behalf of residents who reside in rooms in the care centre in Australia. Refundable accommodation deposits confer to residents the right of occupancy of the room for life, or until the resident terminates the agreement.

Amounts payable under refundable accommodation deposits are non-interest bearing and recorded as a liability in the balance sheet. As the resident may terminate their occupancy with limited notice, and the refundable accommodation deposit is non-interest bearing, it has demand features and is therefore carried at face value, which is the original deposit received.

There have been no other significant changes to accounting policies during the year.

(t) Adoption of new and revised Standards and Interpretations

In the current year, the Group adopted all mandatory new and amended Standards and Interpretations. None of the new and amended Standards and Interpretations had a material impact on the amounts recognised in these financial statements.

We are not aware of any standards in issue but not yet effective which would materially impact the amounts recognised or disclosed in the financial statements. They will be adopted when they become mandatory.

Notes to the consolidated financial statements

For the year ended 31 March 2015

	2015 $000	2014 $000
1. Operating Expenses		
Employee costs (see below)	118,297	98,039
Property related expenses	26,365	23,123
Other operating costs (see below)	37,682	34,039
	182,344	155,201
Employee costs and other operating costs include:		
Post employment benefits (Kiwisaver/Super)	2,765	2,000
Auditor's remuneration to Deloitte comprises:		
- audit of financial statements	135	127
Directors fees	723	642
Doubtful debts	-	-
Donations^	326	355
Lease and rental payments	822	661

^ no donations have been made to any political party (2014: $Nil)

	2015 $000	2014 $000
2. Depreciation		
Buildings	4,271	3,961
Plant and Equipment	2,356	1,914
Furniture and Fittings	3,340	2,804
Motor Vehicles	800	366
Total	10,767	9,045
3. Finance Costs		
Total interest paid on bank loans	19,494	12,374
Release of interest rate swap reserve	1,243	2,234
Amount of interest capitalised	(11,143)	(4,899)
Net interest expense on bank loans	9,594	9,709

Notes to the consolidated financial statements

	2015 $000	2014 $000
4. Income Tax		
(a) Income tax recognised in income statement		
Tax expense comprises:		
Current tax expense	-	-
Prior period adjustment	-	-
Deferred tax expense	-	-
Origination and reversal of temporary differences:		
Investment properties	1,911	5,316
Property, plant and equipment	336	55
Other	(2,134)	3,111
Total income tax expense	113	8,482

The prima facie income tax expense on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	2015 $000	2014 $000
Profit before income tax expense	242,031	203,287
Income tax expense calculated at 28%	67,769	56,920
Tax effect of:		
Non-taxable income	(60,934)	(48,725)
Other	(6,722)	287
Total tax expense	113	8,482

Non-taxable income principally arises in respect of the fair value movement of investment property.

The tax rate used in the above reconciliation is the corporate tax rate of 28% (2014: 28%) payable by New Zealand corporate entities on taxable profits under New Zealand tax law.

Total Group tax losses available in New Zealand amounted to $2.5 million (2014: $0.1 million). Recognition of the deferred tax asset is based on utilisation of tax losses to date, combined with expected taxable earnings in future periods. There are no unrecognised tax losses in New Zealand (2014: $Nil). Australian tax losses have not been recognised in the current year. Total tax losses available in Australia amounted to $11.9 million (2014: $6.1 million).

Notes to the consolidated financial statements

4. Income Tax (continued)

Reconciliation of effective tax rate	2015 %	2015 $000	2014 %	2014 $000
Profit before tax		242,031		203,287
Income tax using the corporate tax rate	28.0%	67,769	28.0%	56,920
Non-taxable income	(25.2)%	(60,934)	(24.0)%	(48,725)
Other	(2.8)%	(6,722)	0.1%	287
Total income tax expense	0.0%	113	4.1%	8,482

(b) Taxable and deductible temporary differences arise from the following:

	Opening Balance $000	Recognised in income $000	Recognised in equity $000	Closing Balance $000
2015				
Property, plant & equipment	(44,000)	(336)	-	(44,336)
Investment properties	(28,704)	(1,911)	-	(30,615)
Deferred management fee revenue in advance	7,639	1,124	-	8,763
Interest rate swap	495	-	802	1,297
Other	2,025	308	-	2,333
Tax value of loss carry-forwards recognised	10	702	-	712
Total deferred taxation	(62,535)	(113)	802	(61,846)
2014				
Property, plant & equipment	(43,945)	(55)	-	(44,000)
Investment properties	(23,388)	(5,316)	-	(28,704)
Deferred management fee revenue in advance	6,625	1,014	-	7,639
Interest rate swap	1,819	-	(1,324)	495
Other	1,766	259	-	2,025
Tax value of loss carry-forwards recognised	4,394	(4,384)	-	10
Total deferred taxation	(52,729)	(8,482)	(1,324)	(62,535)

Notes to the consolidated financial statements

4. Income Tax (continued)

	2015 $000	2014 $000
(c) Imputation credit memorandum account		
Closing balance	50	30
Imputation credits available directly and indirectly to shareholders of the parent company, through:		
Parent company	-	-
Subsidiaries	50	30
Closing balance	50	30

5. Trade and Other Receivables

	2015 $000	2014 $000
Trade debtors	195,165	103,022
Other receivables	1,688	2,927
Total receivables	196,853	105,949

Debtors are non-interest bearing, although the Group has the right to charge interest in respect of overdue settlements of occupancy advances or overdue care fees. Debtors principally comprise amounts due in respect of occupancy advances and care fees. Occupancy advances are payable by residents on occupation of a retirement village unit. Care fees are received from residents (payable four weekly in advance) and various government agencies. Government agency payment terms vary, but are typically paid fortnightly in arrears in respect of care services provided to residents. There is no significant concentration of credit risk as trade debtors are either individual residents or government agencies. No allowance has been made for doubtful debts in the current period (2014: $Nil).

Notes to the consolidated financial statements

6. Property, Plant & Equipment

	Freehold land at valuation	Buildings at valuation	Property under development at cost	Plant & equipment at cost	Furniture & fittings at cost	Motor vehicles at cost	Total
2015	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Gross carrying amount							
Balance at 1 April 2014	201,782	196,491	164,242	21,798	22,918	4,091	611,322
Additions	349	12,205	91,524	4,193	2,871	3,039	114,181
Net foreign currency exchange difference	-	(6)	(625)	(8)	(6)	(7)	(652)
Transfer from property under development	6,061	19,360	(29,406)	1,626	2,359	-	-
Transfer to investment property	-	-	(8,833)	-	-	-	(8,833)
Disposal	(4)	(888)	-	(1,457)	(559)	-	(2,908)
Balance at 31 March 2015	208,188	227,162	216,902	26,152	27,583	7,123	713,110
Accumulated Depreciation							
Balance at 1 April 2014	-	(84)	-	(10,113)	(14,701)	(2,490)	(27,388)
Current year depreciation	-	(4,271)	-	(2,356)	(3,340)	(800)	(10,767)
Disposal	-	71	-	1,178	502	-	1,751
Balance at 31 March 2015	-	(4,284)	-	(11,291)	(17,539)	(3,290)	(36,404)
Total Book Value	208,188	222,878	216,902	14,861	10,044	3,833	676,706
2014	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Gross carrying amount							
Balance at 1 April 2013	147,536	186,166	64,178	18,830	20,324	3,119	440,153
Additions	200	7,951	157,808	2,285	1,456	972	170,672
Net foreign currency exchange difference	-	-	(5,093)	-	-	-	(5,093)
Transfer from property under development	2,814	13,122	(17,757)	683	1,138	-	-
Transfer to investment property	-	-	(34,894)	-	-	-	(34,894)
Revaluation	51,232	(10,748)	-	-	-	-	40,484
Balance at 31 March 2014	201,782	196,491	164,242	21,798	22,918	4,091	611,322
Accumulated Depreciation							
Balance at 1 April 2013	-	(6,871)	-	(8,199)	(11,897)	(2,124)	(29,091)
Current year depreciation	-	(3,961)	-	(1,914)	(2,804)	(366)	(9,045)
Revaluation	-	10,748	-	-	-	-	10,748
Balance at 31 March 2014	-	(84)	-	(10,113)	(14,701)	(2,490)	(27,388)
Total Book Value	201,782	196,407	164,242	11,685	8,217	1,601	583,934

Notes to the consolidated financial statements

6. Property, Plant & Equipment (continued)

All completed resthomes and hospitals included within the definition of freehold land and buildings were revalued to fair value based on an independent valuation report prepared by registered valuers, CBRE Limited, as at 31 March 2014 in accordance with NZ IFRS 13. These revaluations are undertaken every three years, unless there is sustained market evidence of a significant change in fair value. Significant assumptions used by the valuer include capitalisation of earnings (utilising capitalisation rates ranging from 11% to 16%), together with observed transactional evidence in respect of the market value per care bed (ranging from $75,000 to $145,000 per care bed) in estimating and determining fair value.

As the fair value of land and buildings is determined using inputs that are unobservable the Group has categorised property, plant and equipment as Level 3 under the fair value hierarchy in accordance with *NZ IFRS 13 – Fair Value Measurements.*

The significant unobservable inputs used in the fair value measurement of the Group's freehold land and buildings are the capitalisation rate and the market value per care bed. A significant decrease (increase) in the capitalisation rate would result in a significantly higher (lower) fair value measurement. A significant increase (decrease) in the market value per care bed would result in a significantly higher (lower) fair value measurement.

Property under development includes land held pending development of a retirement village amounting to $107.3 million (2014: $106.4 million) and is valued at cost.

Interest for the Group of $11.1 million (2014: $4.9 million) has been capitalised during the period of construction in the current year. The weighted average capitalisation rate on funds borrowed is 5.24% per annum (2014: 5.90% per annum).

The assets shown at cost are head office assets, care facility assets under development, plant and equipment, furniture and fittings and motor vehicles plus additions since the last valuation.

The carrying amount at which each revalued class of property, plant and equipment would have been carried had the assets been measured under historical cost is as follows:

	Freehold Land $000	Buildings $000	Total $000
Carrying amount (at cost)			
Carrying amount at 31 March 2015	48,276	206,834	255,110
Carrying amount (at cost)			
Carrying amount at 31 March 2014	41,870	180,363	222,233

Notes to the consolidated financial statements

7. Investment Properties

		2015 $000	2014 $000
At fair value			
Balance at beginning of financial year		2,034,549	1,684,183
Additions		182,458	176,347
Fair value movement:			
Realised fair value movement:	- New retirement village units	61,597	50,324
	- Existing retirement village units	50,312	38,612
		111,909	88,936
Unrealised fair value movement		105,715	85,083
		217,624	174,019
Net movement for the year		400,082	350,366
Balance at end of financial year		2,434,631	2,034,549

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

As the fair value of investment property is determined using inputs that are unobservable the Group has categorised investment property as Level 3 under the fair value hierarchy in accordance with NZ IFRS 13 – Fair Value Measurements.

The carrying value of completed investment property is the fair value as determined by an independent valuation report prepared by registered valuers CBRE Limited, as at 31 March 2015. This report combines discounted future cash flows and occupancy advances received from residents in respect of practically complete retirement village units for which there is an unconditional occupation agreement. Significant assumptions used by the valuer include long term house price inflation (which ranges from 1% to 3% nominal) and discount rate (which ranges from 13% to 16%). Principal assumptions are unchanged from the prior year. Investment property includes investment property work in progress of $40.8 million (2014: $64.9 million), which has been fair valued at cost by CBRE Limited.

The significant unobservable inputs used in the fair value measurement of the Group's investment property portfolio are the discount rate, the long term nominal house price inflation rate and the occupancy period. A significant decrease (increase) in the discount rate or the unit occupancy period would result in a significantly higher (lower) fair value measurement. A significant increase (decrease) in the average age of entry of residents or the long-term nominal house price inflation rate would result in a significantly higher (lower) fair value measurement.

Operating expenses
Direct operating expenses arising from investment property that generated income from management fees during the period amounted to $4.3 million (2014: $3.5 million). There was no investment property that did not generate income from management fees during the period for the Group except for investment property work in progress.

Security
Residents make interest free advances ("Occupancy Advances") to the retirement villages in exchange for the right of occupancy to retirement village units. Under the terms of the Occupancy Agreement, the resident receives a unit title for life and a first mortgage over the residual interest for security purposes, or a first mortgage is held over the individual title by the statutory supervisor.

Notes to the consolidated financial statements

8. Bank Overdraft

The bank overdraft facilities are secured by a general security agreement and mortgages over the freehold Land and Buildings of the Group in the same manner as the bank loans (see note 11). The interest rate on all overdraft facilities at 31 March 2015 was 11.05% (2014: 10.4%).

9. Trade & Other Payables

	2015 $000	2014 $000
Trade payables	34,227	24,369
Other payables	66,759	91,776
Total trade and other payables	100,986	116,145

Trade payables are typically paid within 30 days of invoice date or 20th of the month following invoice date. Other payables at 31 March 2015 includes $61.6 million (2014: $81.3 million) in relation to the purchase of land.

10. Employee Entitlements

Holiday pay accrual and other benefits	12,090	10,660

11. Borrowings

Bank loans (secured) – NZD	352,000	212,500
Bank loans (secured) – AUD in NZD	55,175	64,678
Total bank loans (secured)	407,175	277,178
Less than 1 year	21,500	18,500
Within 1-3 years	385,675	258,678
Average interest rates – NZD	5.37%	4.87%
Average interest rates – AUD	4.50%	5.01%

The bank loans are secured by a general security agreement over the parent and subsidiary companies and supported by first mortgages over the freehold Land and Buildings (excluding retirement village unit titles provided as security to residents - refer note 7).

The subsidiary companies listed at note 22 have all provided guarantees in respect of the Group's secured loans as parties to the general security agreement.

The average interest rates disclosed above exclude the impact of interest rate swap agreements as described in note 18.

Notes to the consolidated financial statements

12. Occupancy Advances (non interest bearing)

	2015 $000	2014 $000
Gross occupancy advances (see below)	1,771,851	1,470,028
Less: management fees & resident loans	(191,679)	(163,327)
Closing balance	1,580,172	1,306,701
Movement in gross occupancy advances:		
Opening balance	1,470,028	1,251,894
Plus: Net increases in occupancy advances:		
- New retirement village units	249,096	173,964
- Existing retirement village units	50,312	38,612
Increase/(decrease) in occupancy advance receivables	2,415	5,558
Closing balance	1,771,851	1,470,028

Gross occupancy advances are non-interest bearing.

13. Share Capital

Issued and paid up capital consists of 500,000,000 fully paid ordinary shares (2014: 500,000,000) less treasury stock of 1,863,408 shares (2014: 2,145,171 shares) (refer to note 24). All shares rank equally in all respects.

Basic and diluted earnings per share has been calculated on the basis of 500,000,000 ordinary shares (2014: 500,000,000 shares).

Shares purchased on market under the senior share scheme (see note 24) are treated as treasury stock until vesting to the employee.


Notes to the consolidated financial statements

14. Reserves

	2015 $000	2014 $000
Asset revaluation reserve		
Opening balance	176,806	125,574
Revaluation	-	51,232
Deferred tax	-	-
Closing balance	176,806	176,806
Interest rate swap reserve		
Opening balance	(1,272)	(4,677)
Valuation of interest rate swap	(4,107)	2,495
Released to income statement	1,243	2,234
Deferred tax movement on interest rate swap reserve	802	(1,324)
Closing balance	(3,334)	(1,272)
Treasury stock		
Opening balance	(8,890)	(6,725)
Acquisitions	(4,600)	(3,936)
Vesting/forfeiture of shares	2,135	1,771
Closing balance	(11,355)	(8,890)
Foreign currency translation reserve		
Opening balance	-	-
Gain on hedge of foreign owned subsidiary net assets	1,765	293
Loss on translation of net assets of foreign owned subsidiary	(2,081)	(293)
Closing balance	(316)	-
Retained earnings		
Opening balance	726,812	587,007
Net profit attributable to shareholders	241,918	194,805
Dividend paid	(62,500)	(55,000)
Closing balance	906,230	726,812

15. Dividends

	2015 Cents per share	2015 Total $000	2014 Cents per share	2014 Total $000
Recognised amounts				
Final dividend paid – prior year	6.20	31,000	5.40	27,000
Interim dividend paid – current year	6.30	31,500	5.60	28,000
		62,500		55,000
Unrecognised amounts				
Final dividend – current year	7.30	36,500	6.20	31,000
Full year dividend – current year	13.60	68,000	11.80	59,000

Notes to the consolidated financial statements

16. Related Party Transactions

Parent company

The parent entity in the Group is Ryman Healthcare Limited.

Equity interests in related parties

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 22 to the financial statements.

Salaries and consulting fees paid to Directors

Payments to Directors are disclosed in note 17.

Transactions with companies associated to Directors	**2015 $000**	**2014 $000**
Rental expense	525	525

In August 2012 Ryman Healthcare Limited entered into a new office lease agreement with Airport Business Park Christchurch Limited ('the Airport Business Park'). Kevin Hickman has a significant financial interest in this agreement through a trust which is a shareholder of the Airport Business Park. Mr Hickman is also a Director of the Airport Business Park. Key terms of the agreement are rental of $524,676 per annum (excluding GST) for eight years, with a two year right of renewal (2014: $524,676 for 8 years, with a two year right of renewal). Warren Bell is a trustee of certain Airport Business Park shareholders, but has no personal financial interest.

17. Key Management Personnel Compensation

Compensation	**2015 $000**	**2014 $000**
Directors fees	748	642
Salaries to Managing Director	920	838
Short term employee benefits (senior management team)	2,929	2,387
Total Key Management Personnel and Directors' Compensation	4,597	3,867

Key management personnel are the senior management team of the Group and include 9 senior management team members (2014: 9). In addition, NZ IAS 24 requires Directors fees to be included within key management personnel compensation. It should be noted that all Directors (except for the Managing Director) are non-executive and are not involved in the day to day operations of the Group.

Post employment benefits (Kiwisaver/Superannuation) employer contributions included in short term employee benefits (senior management team) above is $77,624 (2014: $48,052) and included in salaries to Managing Director is $26,791 (2014: $24,926).

In addition, the Company provides certain senior employees (including the Managing Director) with limited recourse loans on an interest free basis to assist employee's participation in the Company share scheme. Refer note 24 for details.


Notes to the consolidated financial statements

18. Financial Instruments

The financial instruments consist of cash & cash equivalents, trade & other receivables, trade and other payables, occupancy advances, refundable accommodation deposits, employee advances, loans and interest rate swaps.

Categories of financial instruments

	2015 $000	2014 $000
Financial assets		
Loans and receivables (including cash and cash equivalents)	200,811	110,531
Financial liabilities		
Amortised cost	2,100,179	1,700,024
Derivative instruments in designated hedge accounting relationships (interest rate swaps)	4,631	1,767
	2,104,810	1,701,791

(a) Credit Risk Management

Credit risk is the risk of the failure of a debtor or counterparty to honour its contractual obligation resulting in financial loss to the Group.

Financial assets, which potentially subject the Group to concentrations of credit risk consist principally of cash and cash equivalents, trade and other receivables and advances to employees. The maximum credit risk at 31 March 2015 is the fair value of these assets. The Group's cash equivalents are placed with high credit quality financial institutions. The Group does not require collateral from its debtors. The Directors consider the Group's exposure to any concentration of credit risk to be minimal, given that (typically) the occupation of a retirement village unit does not take place until an occupation advance has been received; care fees are payable four weekly in advance when due from residents; and care fees not due from residents are paid by Government agencies.

The total credit risk to the Group as at 31 March 2015 was $200.8 million (2014: $110.5 million) and there were no material overdue debtors as at 31 March 2015 (2014: $Nil). Financial assets comprise:

Cash and cash equivalents	409	1,754
Trade and other receivables	196,853	105,949
Advances to employees	3,549	2,828
	200,811	110,531


Notes to the consolidated financial statements

18. Financial Instruments (continued)

(b) Interest Rate Risk

The interest rate applicable to the bank overdraft is variable. The interest rates applicable to the bank loans are reviewed at each three monthly rollover. The Group seeks to obtain the most competitive rate of interest at all times.

The Group has entered into an interest rate swap agreement in order to provide an effective cash flow hedge against floating interest rate variability on a defined portion of core Group debt. At 31 March 2015 the Group had a number of interest rate swaps in place which are set out in the table below. The agreement effectively changes the Group's interest rate exposure on the principal of $100 million (2014: $85 million) from a floating rate to a fixed rate of 4.89% (2014: 5.02%). The fair value of the swaps at 31 March 2015 was a liability of $4.6 million (2014: liability of $1.8 million). The interest rate swaps cover notional debt amounts for a term of five years at a composite interest rate of 4.89% (2014: 5.02%).

No interest rate swaps have been taken out in respect of the Australian dollar borrowings.

The balance of the interest rate swap reserve is expected to be released to the Income Statement over the maturity profile of the underlying debt as detailed in the table below.

The notional amortising principal amounts and remaining terms of interest rate swap contracts outstanding at 31 March are as follows:

Cash flow hedges

	Average contracted fixed interest rate		Notional principal amount	
Outstanding	**2015 %**	**2014 %**	**2015 $000**	**2014 $000**
Less than 1 year	4.89%	5.02%	100,000	85,000
1 to 2 years	4.89%	5.02%	90,000	100,000
2 to 3 years	4.89%	5.02%	90,000	80,000
3 to 4 years	4.89%	5.02%	76,000	60,000
4 to 5 years	4.89%	5.20%	72,000	50,000

Notes to the consolidated financial statements

18. Financial Instruments (continued)

(c) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages the liquidity risk on occupancy advances through the contractual requirements in the occupation agreement, whereby the occupancy advance is not required to be repaid following termination of the agreement until receipt of the new occupancy advance from the incoming resident, or at the end of three years following termination, whichever is earlier.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium, and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, and by regularly monitoring forecast and actual cash flows and the maturity profiles of financial assets and liabilities. At balance date the Group had $296.0 million (2014: $222.4 million) of undrawn facilities at its disposal to further reduce liquidity risk.

Maturity profile

The following table details the Group's exposure to liquidity risk (including contractual interest obligations in respect of bank loans):

	Contractual maturity dates							
	2015				2014			
	On Demand $000	Less than 1 year $000	Greater than 1 year $000	Total $000	On Demand $000	Less than 1 year $000	Greater than 1 year $000	Total $000
Financial liabilities:								
Trade & other payables	-	84,986	16,000	100,986	-	98,223	17,922	116,145
Interest rate swaps	-	4,631	-	4,631	-	1,767	-	1,767
Refundable accommodation deposits	11,846	-	-	11,846	-	-	-	-
Bank loans (secured)	-	24,477	385,675	410,152	-	20,514	261,222	281,736
Occupancy advances (non interest bearing)	-	187,824	1,392,348	1,580,172	-	130,077	1,176,624	1,306,701
Bank bonds	-	-	-	-	6,424	-	-	6,424
	11,846	301,918	1,794,023	2,107,787	6,424	250,581	1,455,768	1,712,773

Gross occupancy advances and refundable accommodation deposits are non interest bearing. An occupancy advance is not required to be repaid following termination of the occupation agreement until receipt of the new occupancy advance from the incoming resident, or at the end of three years following termination, whichever is earlier. The above figures have been calculated on the anticipated level of occupancy advance repayments based on historical experience. To date, new occupancy advances received have always exceeded repaid occupancy advances (net of management fees), and represent a positive net operating cash flow to the Group.

Notes to the consolidated financial statements

18. Financial Instruments (continued)

The Group maintains the following lines of credit:

- $2.8 million (2014:$2.8 million) overdraft facility that is secured. Interest would be payable at the 3 month BKBM rate plus a specified margin (note 8).
- A loan facility of $700 million (2014: $495 million) of which $35 million (2014: $35 million) is for 1 year and $665 million (2014: $460 million) is for 3 years.
- The loan facility of $700 million (2014: $495 million) is provided by ANZ Bank New Zealand Ltd (2015: $250 million; 2014: $280.8 million), Commonwealth Bank of Australia (2015: $250 million; 2014: $214.2 million), Bank of New Zealand / National Australia Bank (2015: $100 million; 2014: $Nil) and Westpac (2015: $100 million; 2014: $Nil) in accordance with the terms of a syndicated loan agreement.

The Group renews its facilities on an annual basis to ensure an appropriate portion matures on a rolling three year basis.

(d) Fair Values

The carrying amounts of financial instruments in the Group's balance sheet are the same as their fair value in all material aspects due to the demand features of these instruments and/or their interest rate profiles.

The fair value of interest rate swaps is derived using inputs supplied by third parties that are observable, either directly (i.e. prices) or indirectly (i.e. derived from prices). Therefore the Group has categorised these liabilities as Level 2 under the fair value hierarchy contained within the amendment to NZ IFRS 13.

(e) Market Risk

The Group is primarily exposed to interest rate risk (note 18 (b)) and foreign currency risk (note 18 (f)).

Based on the Group's average net level of interest bearing debt, the Group's profit and total comprehensive income for the year ended 31 March 2015 would not decrease/increase materially if there was a movement of plus/(minus) 50 basis points.

(f) Foreign Currency Risk

Foreign currency risk is the risk that the value of the Group's assets, liabilities and financial performance will fluctuate due to changes in foreign currency rates.

The Group is primarily exposed to currency risk as a result of its subsidiaries in Australia.

The risk to the Group is that the value of the overseas subsidiaries' financial position and financial performance will fluctuate in economic terms and as recorded in the consolidated accounts due to changes in the overseas exchange rates. The Group's profit and total comprehensive income for the year ended 31 March 2015 would not decrease/increase materially by a movement of plus/(minus) 1 cent in AUD/NZD.

The Group hedges the currency risk relating to its Australian subsidiaries by holding a portion of its bank borrowings in Australian dollars. Any foreign currency movement in the net assets of the Australian subsidiary is partially offset by an opposite movement in the Australian dollar debt.

Notes to the consolidated financial statements

18. Financial Instruments (continued)

(g) Capital Management

The Group's capital includes share capital, reserves and retained earnings. The objective of the Group's capital management is to ensure a strong credit rating to support business growth and maximise shareholder value.

The Group's capital is managed at Parent Company level. The Group is subject to capital requirements imposed by its bank through covenants agreed as part of the lending facility arrangements. The Group has met all externally imposed capital requirements for the twelve months ended 31 March 2015 and 31 March 2014.

The Group's capital structure is managed and adjustments are made, with Board approval, to the structure in light of economic conditions at the time. There were no changes to objectives, policies or processes during the year.

19. Commitments

Capital Expenditure Commitments

The Group had commitments relating to construction contracts amounting to $26.3 million as at 31 March 2015 (2014: $27.5 million).

Operating Lease and Other Commitments

Operating Lease expenditure committed to but not recognised in the financial statements relating to property rental.

	2015 $000	2014 $000
Commitments within:		
Less than 1 year	605	551
Between 1 and 5 years	2,265	2,207
More than 5 years	228	779
Total Commitments	3,098	3,537

The Group has an ongoing commitment for maintaining the land and buildings of the integrated retirement villages, resthomes and hospitals. In addition, the Group have bond commitments in respect of developing villages which amount to $nil as at 31 March 2015 (2014: $6.4 million).

Notes to the consolidated financial statements

20. Contingent Liabilities

The Group had no contingent liabilities as at 31 March 2015 (2014: $Nil).

21. Reconciliation of Net Profit After Tax with Net Cashflow from Operating Activities

	2015 $000	2014 $000
Net profit after tax	**241,918**	**194,805**
Adjusted for:		
Movements in balance sheet items:		
Occupancy advances	301,823	218,134
Refundable accommodation deposits	11,846	-
Accrued management fees	(27,222)	(23,537)
Revenue in advance	4,799	3,603
Trade and other payables	(2,622)	2,686
Trade and other receivables	(90,904)	(2,469)
Employee entitlements	1,430	1,655
Non-cash items:		
Depreciation	10,767	9,045
Deferred tax	113	8,482
Unrealised foreign exchange (gain)/loss	(316)	-
Adjusted for:		
Fair value movement of investment properties	(217,624)	(174,019)
Net operating cash flows	234,008	238,385

Net operating cash flows includes occupancy advance receipts from retirement village residents of $390.7 million (2014: $362.3 million).

Net operating cash flows also include management fees collected of $22.4 million (31 March 2014: $16.8 million).

Notes to the consolidated financial statements

22. Subsidiary Companies

All trading subsidiaries operate in the aged care sector in New Zealand and Australia, are 100% owned, and have a balance date of 31 March. The operating subsidiaries are:

Anthony Wilding Retirement Village Limited, Essie Summers Retirement Village Limited, Birkenhead Country Club (2012) Limited, Bob Owens Retirement Village Limited, Bob Scott Retirement Village Limited, Bruce McLaren Retirement Village Limited, Charles Fleming Retirement Village Limited, Diana Isaac Retirement Village Limited, Edmund Hillary Retirement Village Limited, Ernest Rutherford Retirement Village Limited, Evelyn Page Retirement Village Limited, Frances Hodgkins Retirement Village Limited, Grace Joel Retirement Village Limited, Hilda Ross Retirement Village Limited, Jane Mander Retirement Village Limited, Jane Winstone Retirement Village Limited, Jean Sandel Retirement Village Limited, Julia Wallace Retirement Village Limited, Kiri Te Kanawa Retirement Village Limited, Logan Park Limited, Malvina Major Retirement Village Limited, Margaret Stoddart Retirement Village Limited, Ngaio Marsh Retirement Village Limited, Rita Angus Retirement Village Limited, Rowena Jackson Retirement Village Limited, Ryman Aged Care (Australia) Pty Limited, Ryman Healthcare (Australia) Pty Limited, Ryman Napier Limited, Ryman Shelf Company No 19 Limited, Shona McFarlane Retirement Village Limited, Wheelers Hills Properties Pty Limited, Yvette Williams Retirement Village Limited.

23. Segment Information

Products and services from which reportable segments derive their revenues

The Ryman Group operates in one industry, being the provision of integrated retirement villages for the elderly in New Zealand and Australia. The service provision process for each of the villages is similar, the class of customer and methods of distribution and regulatory environment is consistent across all the villages.

Segment revenues and results

The accounting policies of the reportable segment are the same as the Group's accounting policies. The segment profit represents profit earned for the segment after all costs including all administration costs, Directors' salaries, interest revenue, finance costs and income tax expense. The Board makes resource allocation decisions to the segment based on the expected cash flows and results of Group operations as a whole. No operations were discontinued during the year.

For the purposes of monitoring segment performance and allocating resources to the segment, the Board monitors the tangible, intangible and financial assets attributable to the segment. All assets are allocated to the reportable segment.

Information about major customers

Included in total revenue are revenues which arose from sales to the Group's largest customers as follows:

The Group derives care fee revenue in respect of eligible Government subsidised aged care residents who receive resthome, hospital or dementia level care. The Government aged care subsidies received from the Ministry of Health included in Group care fees amounted to $77.5 million (2014: $75.9 million). There are no other significant customers.

Notes to the consolidated financial statements

23. Segment Information (continued)

Geographical Information

The Group operates predominantly in New Zealand with some operations now within Australia (previous periods the Group did not have a fully operating retirement village in Australia).

In presenting information on the basis of geographical segments, segment net profit, underlying profit, segment revenue is based on the geographical location of operations. Segment assets are based on the geographical location of the assets.

	New Zealand $000	Australia $000	Group $000
Year ended 31 March 2015			
Revenue	222,005	5,107	227,112
Underlying profit	127,941	8,375	136,316
Less: Current tax expense	-	-	-
Plus: Unrealised fair value movement	94,281	11,434	105,715
Less: Deferred tax expense	(113)	-	(113)
Profit for the period	222,109	19,809	241,918
Non-current assets	2,931,711	179,626	3,111,337
Year ended 31 March 2014			
Revenue	203,223	-	203,223
Underlying profit	120,776	(2,572)	118,204
Less: Current tax expense	-	-	-
Plus: Unrealised fair value movement	85,083	-	85,083
Less: Deferred tax expense	(8,482)	-	(8,482)
Profit for the period	197,377	(2,572)	194,805
Non-current assets	2,553,049	65,434	2,618,483

Notes to the consolidated financial statements

24. Employee Share Scheme

Senior Management Share Scheme

The Group operates an employee share scheme for certain senior employees, other than non executive Directors, to purchase ordinary shares in the Company.

The Group provides the employees with limited recourse loans on an interest free basis to assist employees' participation in the scheme. These shares are treated as treasury stock when purchased on market due to the features of the scheme.

The loans are applied to the purchase of shares on market, so the number of shares and the consideration for each share is determined by the market price at that time. The scheme holds 1,863,408 fully allocated shares, which represents 0.37% of the total shares on issue (2014: 2,145,171 fully allocated shares which represented 0.43% of the total shares on issue).

Shares purchased under the scheme are held by two Directors as custodians and the shares carry the same rights as all other ordinary shares. The loan is repayable in the event that the employee is no longer employed by the Group.

The following reconciles the shares purchased on market under the scheme at the beginning and end of the financial year:

	2015 No. of shares	**2014 No.of shares**
Balance at beginning of the financial year	2,145,171	2,421,293
Purchased on market during the year	545,737	575,450
Forfeited during the financial year	(20,400)	(3,651)
Vested during the financial year	(807,100)	(847,921)
Balance at end of the financial year	1,863,408	2,145,171

Shares were purchased under the scheme in July 2014 at a price of $8.44 per share. Remaining shares held by the scheme were purchased in July 2013 ($6.84) and August 2012 ($3.82).

Shares vested in August 2014 were originally purchased at $2.54 per share in 2011 and are now held directly by employees. The amounts owed by employees in respect of these vested shares are included within Advances to Employees; this balance includes $1,321,391 (2014: $1,337,700) owing by the Managing Director and $1,934,600 (2014: $1,241,463) owing by other key management personnel in respect of the share scheme.

The Directors estimate the fair value of each employee advance granted at the time of the purchase of shares on market on behalf of the selected employee. Due to the on market purchase and sale features of the scheme, and the scheme agreement arrangements, the Directors consider any such value to be immaterial. Shares subject to this scheme vest three years from the date of purchase.

Notes to the consolidated financial statements

24. Employee Share Scheme (continued)

All Employee Share Scheme

In addition, the Group operates a share scheme which is available for all staff.

Participants of this scheme have contributed a minimum of $500 (and up to a maximum amount of $10,000) towards the on market purchase of Ryman Healthcare Limited shares. To assist the staff member purchase more shares, the Group advanced an interest free loan equal to 50% of the employee's contribution towards the share purchase (the 'financial assistance').

The loan is repayable when the staff member leaves the Group. Shares purchased under the scheme are held in the employee's name.

The financial assistance provided by the Group is recorded in advances to employees.

25. Subsequent Events

The Directors resolved to pay a final dividend of 7.3 cents per share or $36.5 million, with no imputation credits attached, to be paid on 26 June 2015.

26. Authorisation

The Directors authorised the issue of these financial statements on 21 May 2015.

Warren Bell
Non Executive Director & Chair of Audit & Financial Risk Committee

David Kerr
Chairman

Independent Auditor's Report to the Shareholders of Ryman Healthcare Limited

Deloitte.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Ryman Healthcare Limited and its subsidiaries ('the Group') on pages 18 to 49, which comprise the consolidated balance sheet as at 31 March 2015, and the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Board of Directors' Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibilities

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates, as well as the overall presentation of the consolidated financial statements.

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

Other than in our capacity as auditor, we have no relationship with or interests in Ryman Healthcare Limited or any of its subsidiaries.

Opinion

In our opinion, the consolidated financial statements on pages 18 to 49 present fairly, in all material respects, the financial position of Ryman Healthcare Limited and its subsidiaries as at 31 March 2015, and their financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards, International Financial Reporting Standards and generally accepted accounting practice in New Zealand.

Deloitte

Chartered Accountants
21 May 2015
Christchurch, New Zealand.

Statement of Corporate Governance

The Board's primary role is to effectively represent and promote the interests of shareholders with a view to adding long-term value to the Company's shares.

The Directors are responsible for the corporate governance practices of the Company. The practices adopted by the Board are prescribed in a Charter which sets out the protocols for operation of the Board, and in the Code of Ethics which sets out the manner in which directors and the senior management team should conduct themselves.

The Charter is consistent with the NZX Corporate Governance Best Practice Code and is reviewed annually.

The Board of Directors

The Board currently carries out its responsibilities according to the following mandate:

- the Board should comprise a majority of non-executive directors;
- at least a third of the directors should be independent - in the sense of being independent of management and free from any business or other relationship or circumstance that could materially interfere with the exercise of a director's independent judgement;
- the chairman of the Board should be a non-executive director;
- directors should possess a broad range of skills, qualifications and experience, and remain current on how to best perform their duties as directors;
- information of sufficient content, quality and timeliness as the Board considers necessary shall be provided by management to allow the Board to effectively discharge its duties;
- the effectiveness and performance of the Board and its individual members should be re-evaluated on an annual basis.

The Board entirely consists of non-executive directors, with the exception of the Managing Director. Dr David Kerr, Jo Appleyard, Warren Bell, Claire Higgins, Doug McKay and George Savvides are all independent directors as defined by the NZX Listing Rules. More information on the directors, including their interests, qualifications and shareholdings, is provided in the Directors' Disclosures section of this report.

The primary responsibilities of the Board include:

- ensuring that the Company's goals are clearly established and that strategies are in place for achieving them;
- establishing policies for strengthening the performance of the Company including ensuring that management is proactively seeking to build the business;
- monitoring the performance of management;
- appointing the Managing Director, setting the terms of the Managing Director's employment contract;
- deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- ensuring that the Company's financial statements are true and fair and otherwise conform with law;
- ensuring that the Company adheres to high standards of ethics and corporate behaviour; and
- ensuring that the Company has appropriate risk management/ regulatory compliance policies in place.

Independent Professional Advice

With the prior approval of the Chairman, each director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the Company's operations or undertakings to assist in fulfilling their duties and responsibilities as directors.

Board Committees

The Board has six standing committees, being the audit and financial risk, clinical governance, health and safety, remuneration/nominations, treasury and independent directors committees. Each committee operates under specific terms of reference approved by the Board, and any recommendations they make are recommendations to the Board. The terms of reference for each committee are reviewed annually.

Audit and Financial Risk Committee

The Audit and Financial Risk Committee (AFRC) makes recommendations to the Board on the appointment of external auditors, to ensure that they are independent and to also ensure that the Company provides for five yearly rotation of the lead audit partner.

The AFRC consists of four non-executive directors, at least two of whom must be independent directors. The members are currently Warren Bell (Chair), Dr David Kerr, Claire Higgins, and Jo Appleyard, who are all independent directors. Warren is a member of Chartered Accountants Australia New Zealand.

The committee provides a forum for the effective communication between the Board and external auditors. The committee has a number of specific responsibilities, including:

- reviewing the appointment of the external auditor, the annual audit plan, and addressing any recommendations arising out of the audit;
- reviewing all financial information to be issued to the public, and any dividend proposals;
- ensuring that appropriate financial systems and internal controls are in place.

The committee generally invites the Managing Director, Chief Financial Officer and the external auditors to attend AFRC meetings. The committee also meets and receives regular reports from the external auditors without management present, concerning any matters which arise in connection with the performance of their role.

Health & Safety Committee

The Health and Safety Committee was established this year to fulfil responsibilities from a health and safety perspective and ensure we continue to provide a safe working environment for staff, contractors, residents and visitors to Ryman.

The committee recognises the critical role health and safety forms as part of its day to day operations and wants to ensure Ryman exceeds best practice for Health and Safety. The members of the committee are Claire Higgins (Chair), Doug McKay and Jo Appleyard.

The committee has a number of responsibilities which include:

- Considering and approving health and safety strategies, policies and procedures
- Setting health and safety indicators in consultation
- Ensuring the board and directors are properly and regularly informed on matters relating to health and safety governance, performance and compliance
- Conduct regular assessments/audits of the risk profile and control processes

Clinical Governance Committee

The clinical governance committee was set up to support and enhance the quality of the company's clinical performance as well as care and service provision. It replaces the clinical advisory committee and is a full subcommittee of the board.

The committee assists the board to discharge its responsibilities relative to clinical reporting and clinical compliance, and is focused on new innovation in healthcare and ensuring alignment with current emerging best clinical practice.

The committee consists of four non-executive directors: George Savvides (Chair), Dr David Kerr, Doug McKay and Jo Appleyard.

The committee has a number of responsibilities, including:

- Liaison with external clinical auditors. External clinical auditors are invited to attend a meeting each year and report to the committee, including presenting a review of the internal audit function.
- Liaison with internal clinical auditors.
- Review of internal and external clinical audit findings.
- Review of significant changes to clinical policies.
- To review significant complaints and investigations relating to care of residents.
- To ensure appropriate clinical information systems and external controls are in place.
- To review changes in clinical practice in aged care.

The committee maintains direct lines of communication with the external clinical auditors, the managing director, the operations manager and the clinical auditor.

Remuneration & Nominations Committee

The committee comprises Dr David Kerr (Chair), George Savvides and Kevin Hickman.

The Remuneration & Nominations Committee objectives are to:

- assist the Board in the establishment of remuneration policies and practices for the Company;
- assist in discharging the Board's responsibilities relative to reviewing the Managing Director's and directors' remuneration;
- advise and assist the Managing Director in remuneration setting for the senior management team; and
- regularly review, and recommend changes to the composition of the Board, and identify and recommend individuals for nomination as members of the Board and its committees.

Particulars of the directors' and senior management's remuneration are set out in the Directors' Disclosures section of this report.

Treasury Committee

The Treasury Committee is responsible for overseeing our treasury policies and monitoring our debt and equity position. The members are Warren Bell and Claire Higgins.

Independent Directors Committee

The Committee is convened as required and will comprise of those non-executive directors who are considered to be independent in regard to addressing significant conflicts of interest and any other matters referred by the Board.

Reporting & Disclosure

The Board focuses on providing accurate, adequate and timely information both to existing shareholders and to the market generally. This enables all investors to make informed decisions about the Company. All significant announcements made to the NZX, and reports issued, are posted on the Company's website for ease of reference.

The directors' shareholdings and all trading of shares during the year is disclosed in the section headed Directors' Disclosures. The NZX is advised immediately if a director or officer trades in the Company's shares.

Directors, senior employees, their families and related parties must seek Board approval to trade in the Company's shares, and trading is limited to two "window" periods. They are between the full year announcement date and 31 August, and between the half year announcement date and 31 January each year.

Risk Management

The Board is responsible for the Company's system of internal controls to manage the key risks identified.

The Group operates an extensive internal accreditation programme which addresses such wide ranging issues as service delivery, health and safety, and administration. Internal audits are undertaken on a regular basis. The results of these audits and critical indicators are reported to the Board on a regular basis.

Through the AFRC, the Board considers the recommendations and advice of external auditors, and ensures that those recommendations are investigated and, where considered necessary, appropriate action is taken.

Code of Ethics

As part of the Board's commitment to the highest standards of behaviour and accountability, the Company has adopted a code of ethics to guide directors and senior management in carrying out their duties and responsibilities. The code addresses such matters as:

- relations with residents (and their families), suppliers and employees
- acceptance of gifts or other benefits
- conflicts of interest
- protection of company assets
- compliance with laws and policies
- confidentiality
- reporting breaches

General Disclosures

Jo Appleyard

Partner	Chapman Tripp
Member	NZX Disciplinary Committee
Council Member	University of Canterbury
Trustee	The Cathedral Grammar School Foundation

Warren Bell

Chairman	Hallenstein Glasson Holdings Ltd Group
Chairman	St Georges Hospital Inc
Director	Alpine Energy Group
Director	Meadow Mushrooms Group of Companies
Director	Cyprus Enterprises Ltd
Director	Maling & Company Ltd
Director	Sabina Ltd
Director	Palms Services Ltd
Director	Golflinks Ltd
Director	Bilderford Holdings Ltd
Director	Warren Bell Ltd
Director	Christchurch Properties Limited
Trustee	Emerald Trust (part shareholder of Airport Business Park)
Trustee	Waiwetu Trust (part shareholder of Airport Business Park)
Bare Trustee	Ryman Healthcare Share Scheme (jointly with David Kerr)

Andrew Clements *(resigned September 2014)*

Chairman	Orion Corporation Limited
Director	Antipodes Wing Limited
Principal – Director & Shareholder	Jacon Investments Limited
Director	RDGP Limited
Chairman	New Zealand Football Foundation
Principal – Director & Shareholder	Zeus Management Limited
Chairman	The Mt Wellington Stadium Charitable Trust
Bare Trustee	Ryman Healthcare Share Scheme (jointly with David Kerr)
Director	Genesis Power Limited

George Savvides

Managing Director	Medibank
Vice President	International Federation of Health Plans
Chairman	World Vision Australia
Member	Business Council of Australia

Kevin Hickman

Trustee	The Hickman Family Trust
Director	James Lloyd Developments Limited
Director	Valachi Downs Limited
Director/Shareholder	Rita May Limited
Director	Airport Business Park Christchurch Limited
Director	Little Wing Trading Company
Shareholder	Antipodes Wing Limited
Director	Russley Estates No.1 Limited
Director	Russley Estates No. 2 Limited
Trustee	Waiwetu Trust (part shareholder of Airport Business Park)

Simon Challies

Trustee	St Andrews College Foundation

Claire Higgins

Chair	Country Fire Authority
Chair	REI Superannuation Fund Pty Ltd
Director	Vital Healthcare Management Limited
Director	Victorian State Emergency Service
Director	Portland District Healthcare

David Kerr

Chairman	Eco Central
Chairman	Centre Care Limited
Advisor	Canterbury District Health Board
Consultant	Pegasus Health
Advisor	Medical Protection Society Limited
Director	Pharmac Limited
Director	New Zealand Medical Association Services Ltd
Bare Trustee	Ryman Healthcare Share Scheme (jointly with Warren Bell)
Director	Forte Hospital
Director	Health Worforce New Zealand

Doug McKay

Director	Wymac Consulting Ltd
Director	Bank of New Zealand and subsidiaries
Director	IAG NZ Holdings Ltd and subsidiaries (IAG NZ Ltd, AMI Ltd, Lumley Insurance NZ Ltd)
Director	Genesis Energy Ltd
Chair	Eden Park Trust Board
Board member	NZ Institute of Chartered Accountants Regulatory Board
Board member	Chartered Accountants Australia New Zealand
Director/Shareholder	Tourism Transport Ltd

Specific Disclosures

In accordance with the Company's constitution and the Companies Act 1993, the Company has provided insurance for, and indemnities to, directors of the Company.

The Company was granted a waiver by NZX on 15 June 2010 from NZSX Listing Rule 7.6.4(b)(iii) in relation to the provision of financial assistance to the Managing Director in accordance with the Company's employee share scheme (see note 24 to the financial statements for details of the scheme).

Shareholdings as at 31 March 2015

Director	Relevant Interest
Jo Appleyard	78,700[1]
Warren Bell	20,000
Simon Challies	2,199,360[2]
Kevin Hickman	35,834,955[3]
Claire Higgins	7,900[4]
David Kerr	333,000[5]
Doug McKay	6,000[6]
George Savvides	35,030[7]

1 Held as trustees of The Appleyard and Larkin Family Trust
2 473,654 shares held by D Kerr and W Bell as custodians and 1,067,030 shares held by the Challies Family Trust
3 Held as trustee of The Hickman Family Trust
4 Held as trustees of Adam Higgins Superannuation Fund Pty Ltd
5 Shares held by DW & DJ Kerr and The DW Kerr Family Trust
6 Shares held by McKay Family Trust Partnership
7 Shares held by Australian Executor Trustees Ltd

Directors' Remuneration for the year

Director	Directors' Fees	Salaries & Bonuses
Jo Appleyard	91,667	-
Warren Bell	105,000	-
Simon Challies	-	919,819
Andrew Clements	33,000	-
Kevin Hickman	91,667	-
Claire Higgins	55,653	-
David Kerr	183,333	-
Doug McKay	51,693	-
George Savvides	110,900	-
	722,913	**919,819**

Directors of Subsidiary Companies

David Kerr, Kevin Hickman, Simon Challies and Gordon MacLeod are directors of all the Company's New Zealand subsidiaries. Simon Challies, Jeremy Dixon, George Savvides and Gordon MacLeod are directors of Ryman Healthcare (Australia) Pty Ltd and its subsidiaries.

Employees' Remuneration

The number of employees or former employees of the Company and the Group, not being directors, who received remuneration and other benefits valued at or exceeding $100,000 during the financial year under review were:

Remuneration	No. of Employees	Remuneration	No. of Employees	Remuneration	No. of Employees
650000 - 660000	1	210000 - 220000	1	150000 - 160000	6
430000 - 440000	1	200000 - 210000	2	140000 - 150000	3
390000 - 400000	1	190000 - 200000	2	130000 - 140000	9
370000 - 380000	1	180000 - 190000	1	120000 - 130000	9
330000 - 340000	1	170000 - 180000	3	110000 - 120000	14
220000 - 230000	2	160000 - 170000	2	100000 - 110000	11

Share Transactions During the Year

Director	Nature of Interest	Shares Acquired /(Disposed)	Consideration	Date
George Savvides	Beneficial	12,700	$106,934	22/05/2014
Simon Challies	Beneficial	30,134	$256,550	18/07/2014
George Savvides	Beneficial	6,830	$54,845	11/08/2014
Doug McKay	Beneficial	6,000	$48,300	25/11/2014
David Kerr	Beneficial	50,000	$412,488	25/11/2014
Claire Higgins	Beneficial	7,900	$64,803	4/12/2014

David Kerr and Warren Bell, as joint custodians of the Ryman Healthcare Employee Share Purchase Scheme, acquired 545,737 shares during the year, disposed of 827,500 shares during the year and held 1,863,408 shares in total at 31 March 2015 (also refer note 24)

Gender Composition of Directors and Officers

As at 31 March 2015, two of the directors of Ryman are female (2014: one female) and three of the nine senior management positions are held by women (2014: three females).

Top 20 Shareholders as at 26 May 2015

Rank	Investor Name	No. of Shares	% Issued Capital
1	HSBC Nominees (New Zealand) Limited [1]	56,978,554	11.4%
2	Joanna Hickman & John Anthony Callaghan & Kevin James Hickman[2]	35,834,955	7.2%
3	J.P. Morgan Chase Bank [1]	26,706,118	5.3%
4	Ngai Tahu Capital Limited	26,175,995	5.2%
5	G A Cumming	26,049,900	5.2%
6	Citibank Nominees (Nz) Ltd [1]	24,872,738	5.0%
7	HSBC Nominees (New Zealand) Limited [1]	20,790,801	4.1%
8	National Nominees New Zealand Limited [1]	16,954,072	3.4%
9	Accident Compensation Corporation [1]	14,295,125	2.9%
10	Tea Custodians Limited [1]	13,923,924	2.8%
11	Custodial Services Limited	12,006,399	2.4%
12	Premier Nominees Limited [1]	8,217,838	1.6%
13	New Zealand Superannuation Fund Nominees Limited [1]	6,894,672	1.4%
14	BNP Paribas Nominees NZ Limited [1]	6,278,995	1.3%
15	Cogent Nominees Limited [1]	6,009,448	1.2%
16	MFL Mutual Fund Limited [1]	5,388,350	1.1%
17	FNZ Custodians Limited	5,236,890	1.1%
18	Forsyth Barr Custodians Limited	5,130,977	1.0%
19	Custodial Services Limited	4,116,826	0.8%
20	Walter Mick George Yovich & Jeanette Julia Yovich	3,815,000	0.8%

1 Held by New Zeland Central Securities Depository Ltd as custodian
2 Held as trustees of the Hickman Family Trust

Distribution of Shareholders as at 26 May 2015

Size of Shareholding	Number of Shareholders		Shares Held	
1-1,000	3,363	23.2	2,070,594	0.4%
1,001-5,000	6,679	46.2	18,669,073	3.7%
5,001-10,000	2,295	15.9	17,667,213	3.5%
10,001-50,000	1,800	12.4	37,904,841	7.6%
50,001-100,000	176	1.2	12,706,812	2.5%
100,001 and over	158	1.1	410,981,467	82.2%
Total	**14,471**	**100.00%**	**500,000,000**	**100.00%**

Substantial Security Holder Notices Received as at 26 May 2015

Shareholder	Relevant Interest	%	Date of Notice
G A Cumming	50,949,900	10.2%	15 January 2014
K J Hickman, J Hickman & J A Callaghan [1]	35,834,955	7.2%	21 November 2006
Ngai Tahu Capital Limited	30,000,000	6.0%	3 May 2012

1 Held as trustees of The Hickman Family Trust.

For more information on any of the Ryman Healthcare retirement villages please phone (NZ) 0800 588 222, www.rymanhealthcare.co.nz or (AUS) 1800 922 988, www.rymanhealthcare.com.au

Registered Office
Airport Business Park, 92 Russley Road, Christchurch
PO Box 771, Christchurch, 8042

Melbourne Office
2 Brandon Park Drive, Wheelers Hill, Melbourne
PO Box 5391, Brandon Park, Victoria 3150

Auckland Office
161D Marua Road, Ellerslie, Auckland 1051

Share Registrar
Link Market Services, PO Box 91976, Auckland 1142
Phone: +64 9 375 5998
Email: enquiries@linkmarketservices.com

Anthony Wilding Retirement Village
5 Corbett Crescent, Aidanfield, Christchurch

Bob Owens Retirement Village
112 Carmichael Road, Bethlehem, Tauranga

Bob Scott Retirement Village
25 Graham Street, Petone, Lower Hutt

Bruce McLaren Retirement Village
795 Chapel Road, Howick, Auckland

Charles Fleming Retirement Village
112 Parata Street, Waikanae

Diana Isaac Retirement Village
1 Lady Isaac Way, Mairehau, Christchurch

Edmund Hillary Retirement Village
221 Abbotts Way, Remuera, Auckland

Ernest Rutherford Retirement Village
49 Covent Drive, Stoke, Nelson

Essie Summers Retirement Village
222 Colombo Street, Beckenham, Christchurch

Evelyn Page Retirement Village
30 Ambassador Glade, Orewa, Auckland

Frances Hodgkins Retirement Village
40 Fenton Crescent, St Clair, Dunedin

Grace Joel Retirement Village
184 St Heliers Bay Road, St Heliers, Auckland

Hilda Ross Retirement Village
30 Ruakura Road, Hamilton

Jane Mander Retirement Village
262 Fairway Drive, Kamo West, Whangarei

Jane Winstone Retirement Village
49 Oakland Avenue, St Johns Hill, Wanganui

Jean Sandel Retirement Village
71 Barrett Road, Whalers Gate, New Plymouth

Julia Wallace Retirement Village
28 Dogwood Way, Clearview Park, Palmerston North

Kiri Te Kanawa Retirement Village
12 Gwyneth Place, Lytton West, Gisborne

Malvina Major Retirement Village
134 Burma Road, Khandallah, Wellington

Margaret Stoddart Retirement Village
23 Bartlett Street, Riccarton, Christchurch

Ngaio Marsh Retirement Village
95 Grants Road, Papanui, Christchurch

Princess Alexandra Retirement Village
145 Battery Road, Napier

Rita Angus Retirement Village
66 Coutts Street, Kilbirnie, Wellington

Rowena Jackson Retirement Village
40 O'Byrne Street North, Waikiwi, Invercargill

Shona McFarlane Retirement Village
66 Mabey Road, Lower Hutt

Weary Dunlop Retirement Village
242 Jells Road, Wheelers Hill, Melbourne

Woodcote Retirement Village
29 Woodcote Avenue, Hornby, Christchurch

Yvette Williams Retirement Village
383 Highgate, Roslyn, Dunedin

New Villages

Birkenhead
2 Rangitira Road, Birkenhead, Auckland

Brandon Park
6-30 Brandon Park Drive, Wheelers Hill, Melbourne

Devonport
Wakakura Crescent, Devonport, Auckland

Greenlane
187 Campbell Road, Greenlane, Auckland

Newtown
208 Adelaide Road, Newtown, Wellington

Pukekohe
75 Valley Road, Pukekohe

Rangiora
56 Oxford Road, Rangiora

Tropicana
20-23 Tropicana Drive, Auckland

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RYMAN HEALTHCARE