RYMAN HEALTHCARE

Results for announcement to the market		
Name of issuer	Ryman Healthcare Limited	
Reporting Period	6 months to 30 September 2019	
Previous Reporting Period	6 months to 30 September 2018	
Currency	NZD	
	Amount (000s)	**Percentage change**
Revenue from continuing operations	$207,751,000	11.0%
Total Revenue	$387,760,000	13.2%
Net profit/(loss) from continuing operations	$188,281,000	11.1%
Total net profit/(loss)	$188,281,000	11.1%
Underlying profit (non-GAAP) – see explanation below	$103,042,000	6.2%
Interim/Final Dividend		
Amount per Quoted Equity Security	11.5 cents	
Imputed amount per Quoted Equity Security	Not imputed	
Record Date	6 December 2019	
Dividend Payment Date	13 December 2019	
	Current period	**Prior comparable period**
Net tangible assets per Quoted Equity Security (cents per share)	452.5	405.6
A brief explanation of any of the figures above necessary to enable the figures to be understood	Underlying profit is a non-GAAP* measure and differs from NZ IFRS profit for the period. Underlying profit does not have a standardised meaning prescribed by GAAP and so may not be comparable to similar financial information presented by other entities. The Group uses underlying profit, with other measures, to measure performance. Underlying profit is a measure that the Group uses consistently across reporting periods. Underlying profit excludes deferred taxation, taxation expense, and unrealised gains on investment properties because these items do not reflect the trading performance of the Company. Underlying profit determines the dividend payout to shareholders. *Generally Accepted Accounting Principles	

Authority for this announcement	
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Date of release through MAP	21 November 2019

Unaudited financial statements accompany this announcement.

MEDIA RELEASE NOVEMBER 21, 2019

Ryman reports unaudited first half underlying profit of $103 million, up 6.2%

Highlights:

- Unaudited underlying profit $103 million, up 6.2%, driven by resales
- Reported (IFRS) profit increased 11.1% to $188.3 million
- Interim dividend lifted to 11.5 cents per share, in line with underlying profit growth
- Full year underlying profit expected to be between $250 million and $265 million (between +10% and +17%)
- Operating cashflows up 17.6% to $256.1 million
- Total assets $7.26 billion, up 17.4% on September last year
- New sites in Highett in Victoria and Northwood in Christchurch
- Record activity in Victoria, target remains to have 5 villages open by the end of 2020
- Increased investment in resident experience, team development and safety
- Continued strong demand with 97% occupancy at established care centres
- Only 1.6% of resale stock unsold at the end of September

Ryman Healthcare's unaudited first half underlying profit rose 6.2% to $103 million, driven by record resales volumes. As previously signalled, the second half is expected to be stronger as the build programme lifts, and full year underlying profits are expected to range from $250 million to $265 million.

Reported (IFRS) profit, which includes unrealised fair value gains on investment property, increased 11.1% to $188.3 million.

Shareholders will receive an increased interim dividend of 11.5 cents per share in line with the increase in underlying profit. The record date for entitlements is December 6, and the dividend will be paid on December 13.

Cash generation was strong in the half, with operating cashflows up 17.6% to $256.1 million. Total assets were $7.26 billion, up 17.4% on last year, reflecting the value created by ongoing development and strong demand.

Full year profits are expected to lift in line with growth in the build programme, and construction is targeted to be under way at 12 sites by March 2020, up from eight a year ago.

Chief Executive Gordon MacLeod said: "We have significantly lifted our land bank over the past three years to match our growth aspirations in New Zealand and Victoria.

"We are now moving into our biggest ever build programme on stunning sites, which is exciting for the team and our next generation of residents."

Chairman Dr David Kerr said Ryman's unique integrated villages and high-quality care continued to be in strong demand, with care occupancy in established villages running at 97%. Only 1.6% of the retirement village portfolio was available for resale at September 30.

Ryman's New Zealand resales volumes grew 11.3%, while volumes in the wider real estate market declined 15%, which demonstrated the continued appeal of Ryman villages.

"The first half result has been achieved against a background of tough market conditions in Melbourne and Auckland, so we are satisfied with what has been achieved," Dr Kerr said.

Mr MacLeod said the focus continued to be on delivering new villages, innovating to improve the experience of living and working in a Ryman community, and making sure everyone got home safe each day.

Ryman acquired two new sites – Highett in Victoria and Northwood in Christchurch – during the first half taking the land bank to 7,074 units and beds.

"The 22 sites in our land bank, 10 of which already have development under way, represent the equivalent of 66% of our existing portfolio. On development of the existing land bank over the coming years Ryman expects to be providing homes and care for more than 20,000 people."

Ryman is targeting a build rate of 900 units and beds this year, up from 757 in the 2019 financial year. The build rate is lifting to meet Ryman's financial aspirations of doubling underlying profit every five years and to create a tail of growing earnings.

A highlight of the half was the progress in Victoria, Mr MacLeod said.

"The team exchanged a record 260 new sales, resales and care contracts in the first half in Victoria. We are interacting with more people than ever and there is no doubt our brand awareness is growing."

We have recently submitted our tenth development application in Victoria. Five development approvals have been granted already, and Ryman continues to target having five villages open by the end of 2020 calendar year.

"As well as a record amount of construction activity, we have a whole lot of innovations feeding through that will make life in a Ryman village better than ever for our residents," Mr MacLeod said.

"We have had great feedback from our residents and their families in our recent surveys, and we continue to strive to get even better."

The Ryman operations team would continue to rollout a revamp of dementia care called myRyman Life, and the trial of its new Ryman Delight entertainment and wellbeing programme for residents continued.

Dr Kerr announced the board had been further strengthened with the appointment of Melbourne-based director Paula Jeffs. Paula is a human resources executive with experience across healthcare, finance and government sectors.

“We’re a high growth business and we know that finding and developing the right sort of people is critical to our success,” Dr Kerr said.

“Paula brings great insight into people and talent, and I am sure she will be a great contributor. We have got a wealth of talent and an excellent mix of skills and diverse views on the board which will see us into the future.”

Dr Kerr said Ryman had now invested $4 billion in building communities and returned $860 million in dividends since listing in 1999.

“We are moving into a record expansion phase in the next 18 months, but it is not growth for growth’s sake. Our growth reflects the fact that we want to build as many communities as we can so that more people can benefit from the Ryman experience.”

Ten new villages currently under way:

New Zealand	**Victoria**
Lynfield, Auckland (Murray Halberg)	Brandon Park, Melbourne (Nellie Melba)
Devonport, Auckland (William Sanders)	Burwood East, Melbourne
River Road, Hamilton (Linda Jones)	Highton, Geelong
Lincoln Road, Auckland	Aberfeldie, Melbourne
Havelock North, Hawkes Bay	
Hobsonville, Auckland	

New villages in planning and design phase:

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

About Ryman: Ryman Healthcare was founded in Christchurch in 1984 and owns and operates 36 retirement villages in New Zealand and Australia. Ryman villages are home to 11,400 residents, and the company employs over 5,700 staff.

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RYMAN HEALTHCARE LIMITED
KEY STATISTICS

		Sept 19 Half Year Unaudited	Sept 18 Half Year Unaudited	Mar 19 Full Year Audited
Underlying profit (non-GAAP)[1]	**$m**	**103.0**	**97.1**	**227.0**
Plus unrealised gains on retirement-village units	$m	92.7	72.8	102.4
Less deferred tax movement	$m	(7.4)	(0.4)	(3.4)
Reported net profit after tax	**$m**	**188.3**	**169.5**	**326.0**
Net operating cash flows	**$m**	**256.1**	**217.8**	**401.4**
Earnings per share - basic and diluted	cents	37.7	33.9	65.2
Dividend per share	cents	11.5	10.8	22.7
Net tangible assets - basic and diluted	cents	452.5	405.6	428.4
Sales of Occupation Right Agreements				
New sales of occupation rights[2]	no.	229	168	414
Resales of occupation rights	no.	454	405	824
Total sales of occupation rights	no.	683	573	1,238
New sales of occupation rights	$m	160.7	120.4	290.7
Resales of occupation rights	$m	234.8	202.1	417.4
Total sales of occupation rights	$m	395.5	322.5	708.1
Portfolio:				
Aged-care beds	no.	3,660	3,448	3,660
Retirement-village units	no.	7,071	6,613	6,878
Total units and beds	no.	10,731	10,061	10,538
Land bank (to be developed)[3]				
Aged-care beds	no.	2,098	1,841	2,062
Retirement-village units	no.	4,976	4,237	4,950
Total units and beds	no.	7,074	6,078	7,012

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

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

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

[2] 229 new sales of occupation rights for September 2019 includes 47 units rebuilt at Malvina Major.

[3] The land bank is subject to resource and building consent and various regulatory approvals.

*Generally Accepted Accounting Principles

RYMAN HEALTHCARE LIMITED
Consolidated income statement
For the six months ended 30 September 2019

	Notes	Six months ended 30 Sept 2019 unaudited $000	Six months ended 30 Sept 2018 unaudited $000	Year ended 31 March 2019 audited $000
Care fees		163,093	147,748	302,003
Management fees		43,913	38,840	78,944
Interest received		230	211	532
Other income		515	391	855
Total revenue		**207,751**	**187,190**	**382,334**
Fair-value movement of investment properties	3	180,009	155,438	292,910
Total income		**387,760**	**342,628**	**675,244**
Operating expenses		(168,729)	(152,528)	(303,745)
Depreciation and amortisation expense		(13,751)	(11,250)	(23,125)
Finance costs		(9,557)	(8,958)	(18,959)
Total expenses		**(192,037)**	**(172,736)**	**(345,829)**
Profit before income tax		**195,723**	**169,892**	**329,415**
Income-tax expense		(7,442)	(359)	(3,429)
Profit for the period		**188,281**	**169,533**	**325,986**
Earnings per share				
Basic and diluted (cents per share)		37.7	33.9	65.2

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

The accompanying notes form part of these interim financial statements.

RYMAN HEALTHCARE LIMITED
Consolidated statement of comprehensive income
For the six months ended 30 September 2019

	Six months ended 30 Sept 2019 unaudited $000	Six months ended 30 Sept 2018 unaudited $000	Year ended 31 March 2019 audited $000
Profit for the period	**188,281**	**169,533**	**325,986**
Items that may be later reclassified to profit or loss			
Fair-value movement and reclassification of interest-rate swaps	(7,479)	(753)	(5,181)
Deferred tax movement on interest-rate swap reserve	2,094	211	1,451
(Loss) / Gain on hedge of foreign-owned subsidiary net assets	(2,471)	(2,051)	1,333
Gain / (Loss) on translation of foreign operations	8,839	5,375	(4,966)
	983	2,782	(7,363)
Items that may be later reclassified to profit or loss			
Revaluation of property, plant and equipment (unrealised)	-	-	24,456
	-	-	24,456
Other comprehensive income	**983**	**2,782**	**17,093**
Total comprehensive income	**189,264**	**172,315**	**343,079**

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

The accompanying notes form part of these interim financial statements.

RYMAN HEALTHCARE LIMITED
Consolidated statement of changes in equity
For the six months ended 30 September 2019

	Issued capital $000	Asset revaluation reserve $000	Interest-rate swap reserve $000	Foreign-currency translation reserve $000	Treasury stock $000	Retained earnings $000	Total equity $000
Six months ended 30 Sept 2018 unaudited							
Opening balance	**33,290**	**233,319**	**(5,913)**	**(2,243)**	**(22,497)**	**1,704,563**	**1,940,519**
Profit and total comprehensive income for the period	-	-	(542)	3,324	-	169,533	172,315
Treasury stock movement	-	-	-	-	(5,611)	-	(5,611)
Dividends paid to shareholders	-	-	-	-	-	(54,500)	(54,500)
Closing balance at 30 Sept 2018	**33,290**	**233,319**	**(6,455)**	**1,081**	**(28,108)**	**1,819,596**	**2,052,723**
Year ended 31 March 2019 audited							
Opening balance	**33,290**	**233,319**	**(5,913)**	**(2,243)**	**(22,497)**	**1,704,563**	**1,940,519**
Profit and total comprehensive income for the year	-	24,456	(3,730)	(3,633)	-	325,986	343,079
Treasury stock movement	-	-	-	-	(4,968)	-	(4,968)
Dividends paid to shareholders	-	-	-	-	-	(108,500)	(108,500)
Closing balance at 31 March 2019	**33,290**	**257,775**	**(9,643)**	**(5,876)**	**(27,465)**	**1,922,049**	**2,170,130**
Six months ended 30 Sept 2019 unaudited							
Opening balance	**33,290**	**257,775**	**(9,643)**	**(5,876)**	**(27,465)**	**1,922,049**	**2,170,130**
Profit and total comprehensive income for the period	-	-	(5,385)	6,368	-	188,281	189,264
Treasury stock movement	-	-	-	-	(5,413)	-	(5,413)
Dividends paid to shareholders	-	-	-	-	-	(59,500)	(59,500)
Closing balance at 30 Sept 2019	**33,290**	**257,775**	**(15,028)**	**492**	**(32,878)**	**2,050,830**	**2,294,481**

The accompanying notes form part of these interim financial statements.

RYMAN HEALTHCARE

RYMAN HEALTHCARE LIMITED
Consolidated balance sheet
At 30 September 2019

	Notes	30 Sept 2019 unaudited $000	30 Sept 2018 unaudited $000	31 March 2019 audited $000
Assets				
Trade and other receivables		332,792	298,880	344,814
Advances to employees		10,996	8,524	8,152
Property, plant and equipment		1,456,181	1,093,717	1,188,940
Investment properties	3	5,423,813	4,754,479	5,081,607
Intangible assets		32,008	24,574	27,968
Total assets		**7,255,790**	**6,180,174**	**6,651,481**
Equity				
Issued capital	6	33,290	33,290	33,290
Asset revaluation reserve		257,775	233,319	257,775
Interest-rate swap reserve		(15,028)	(6,455)	(9,643)
Foreign-currency translation reserve		492	1,081	(5,876)
Treasury stock		(32,878)	(28,108)	(27,465)
Retained earnings		2,050,830	1,819,596	1,922,049
Total equity		**2,294,481**	**2,052,723**	**2,170,130**
Liabilities				
Trade and other payables	7	181,648	76,990	126,909
Employee entitlements		25,471	22,607	23,834
Revenue in advance		60,817	55,071	57,845
Interest-rate swaps		20,872	8,965	13,393
Refundable accommodation deposits		61,788	31,189	34,013
Bank loans (secured)		1,505,012	1,214,337	1,324,003
Occupancy advances (non-interest bearing)	4	3,015,635	2,646,458	2,827,690
Lease liabilities		11,297	-	-
Deferred tax liability (net)		78,769	71,834	73,664
Total liabilities		**4,961,309**	**4,127,451**	**4,481,351**
Total equity and liabilities		**7,255,790**	**6,180,174**	**6,651,481**
Net tangible assets				
Basic and diluted (cents per share)		452.5	405.6	428.4

The accompanying notes form part of these interim financial statements.

RYMAN HEALTHCARE

RYMAN HEALTHCARE LIMITED
Consolidated statement of cash flows
For the six months ended 30 September 2019

	Notes	Six months ended 30 Sept 2019 unaudited $000	Six months ended 30 Sept 2018 unaudited $000	Year ended 31 March 2019 audited $000
Operating activities				
Receipts from residents		582,834	518,267	1,009,496
Interest received		177	265	588
Payments to suppliers and employees		(166,583)	(149,785)	(306,234)
Payments to residents		(150,800)	(145,286)	(283,736)
Interest paid		(9,557)	(5,624)	(18,689)
Net operating cash flows	2	**256,071**	**217,837**	**401,425**
Investing activities				
Purchase of property, plant and equipment		(197,778)	(104,564)	(150,252)
Purchase of intangible assets		(3,819)	(3,060)	(6,918)
Purchase of investment properties		(140,922)	(181,546)	(364,186)
Capitalised interest paid		(17,230)	(14,775)	(31,003)
Advances to employees		(2,843)	(2,688)	(2,316)
Net investing cash flows		**(362,592)**	**(306,633)**	**(554,675)**
Financing activities				
Drawdown of bank loans (net)		172,268	148,907	266,718
Dividends paid		(59,500)	(54,500)	(108,500)
Purchase of treasury stock (net)		(5,414)	(5,611)	(4,968)
Repayment of lease liabilities		(833)	-	-
Net financing cash flows		**106,521**	**88,796**	**153,250**
Net increase in cash and cash equivalents		**-**	**-**	**-**
Cash and cash equivalents at the beginning of the period		-	-	-
Cash and cash equivalents at the end of the period		**-**	**-**	**-**

The accompanying notes form part of these interim financial statements.

Statement of compliance

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

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

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

Basis of preparation

The financial statements for the six months ended 30 September 2019 and the comparative six months ended 30 September 2018 are unaudited.

Apart from the new standards adopted in the current period (see below), these financial statements have been prepared under the same accounting policies and methods as the Company's Annual Report at 31 March 2019. These financial statements should be read in conjunction with the financial statements and related notes included in the Company's Annual Report for the year ended 31 March 2019.

The financial statements were approved by the Board of Directors on 20 November 2019.

The information is presented in thousands of New Zealand dollars.

All references to AUD refer to Australian dollars.

1. Summary of significant accounting policies

Adoption of new and revised standards and interpretations

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

During the period, NZ IFRS 16 *Leases* has been adopted with effect from 1 April 2019. The new standard introduces a single lessee accounting model that brings all leases on balance sheet except low-value or short-term leases (less than a year). Adopting the standard has not had a material impact on the financial statements.

The Group has chosen to adopt the modified retrospective approach to transition. Comparative periods presented have not been restated.

Operating leases that were previously off balance sheet are now included on the balance sheet under NZ IFRS 16 through the recognition of right-of-use assets and associated liabilities. Rental and operating lease expenses previously recognised within other operating expenses are now recognised as depreciation for right-of-use assets and finance costs for lease liabilities in the income statement. In the statement of cash flows, operating lease payments previously classified as cash flows from operating activities are now classified as cash flows from financing activities for principal repayments of the lease liability and cash flows from operating activities for the interest payments. There has been no impact on actual cash payments as a result of the adoption of NZ IFRS 16.

The Group used a number of practical expedients when applying NZ IFRS 16 to leases previously classified as operating leases. In particular, the Group:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application
- did not recognise right-of-use assets and liabilities for leases of low-value assets (for example, IT equipment)
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application
- applied a single discount rate to portfolios of leases with similar characteristics
- used hindsight when determining the lease term

Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Following the adoption of NZ IFRS 16 the group has presented right-of use assets within 'property, plant and equipment'.

The group leases office buildings, sales offices, office equipment (for example, photocopiers), and plant and equipment for the use in the construction of retirement-village units and aged-care beds. After using the available recognition exemptions allowed in NZ IFRS 16 for short-term leases and leases of low-value assets it is only the Group's lease of office premises, sales offices and tower cranes for which right of use assets and lease liabilities have been recognised under the new standard. The expenses incurred for short-term and low-value leases continue to be recognised on a straight-line basis in the income statement.

The Group recognises all long-term lease of land within property, plant and equipment and investment property. There has been no impact on how the leases have been accounted for under NZ IFRS 16 other than the recognition of any future lease payments required under the terms of the contract.

A lease contract may contain both lease and non-lease components. For construction leases (for example, scaffolding and tower cranes), the Group has elected not to separate non-lease components from lease components, and instead accounts for the whole contract as a lease.

As a result of adopting the new standard the Group recognised $13.4 million of right-of-use assets and associated lease liability in the balance sheet at 1 April 2019.

At 30 September 2019, the right-of-use asset was $11.1 million and the lease liability was $11.3 million. The profit for the six months to 30 September 2019 is $0.2 million lower than the profit that would have been reported had the standard not been in place. This comprises a decrease in operating expenses of $0.8 million, an increase in depreciation expense of $0.8 million and an increase in finance costs of $0.2 million. Net operating cash flows have increased by $0.8 million and net financing cash flows have decreased by $0.8 million because of the adoption of the standard.

When measuring lease liabilities, the Group discounts lease payments using its incremental borrowing rate. This is calculated with reference to the external borrowing facilities available to the Group and the specific characteristics of the lease. The weighted average borrowing rate for the Group is 3.75%.

The depreciation and finance costs associated with the right-of-use asset and lease liability for tower cranes is capitalised as a cost of constructing the asset.

For leases where the Group is the lessor there has been no change to the recognition or measurement on adoption of NZ IFRS 16. There is no change in how occupation-right agreements and associated management fees are recognised. Management fees are recognised on a straight-line basis over the period of service. The period is determined as being the greater of the expected period of tenure, or the contractual right to management fees.

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

	Six months ended 30 Sept 2019 unaudited $000	Six months ended 30 Sept 2018 unaudited $000	Year ended 31 March 2019 audited $000
Net profit after tax	**188,281**	**169,533**	**325,986**
Adjusted for:			
Movements in balance-sheet items			
Occupancy advances	223,837	157,615	367,538
Accrued management fees	(35,271)	(25,417)	(54,652)
Refundable accommodation deposits	27,775	432	3,256
Revenue in advance	2,972	3,116	5,890
Trade and other payables	676	(271)	2,165
Trade and other receivables	12,022	58,603	12,669
Employee entitlements	1,637	2,370	3,597
Non-cash items:			
Depreciation and amortisation	13,751	11,250	23,125
Deferred tax	7,442	359	3,429
Unrealised foreign-exchange (gain) / loss	(7,042)	(4,315)	1,332
Adjusted for:			
Fair-value movement of investment properties	(180,009)	(155,438)	(292,910)
Net operating cash flows	**256,071**	**217,837**	**401,425**

Net operating cash flows include occupancy advance receipts from retirement village residents of $393.5 million (six months ended 30 September 2018: $370.6 million and year ended 31 March 2019: $703.6 million).

Also included in operating cash flows are net receipts from refundable accommodation deposits of $26.6 million (six months ended 30 September 2018: net payments of $0.4 million and year ended 31 March 2019: net receipts of $3.8 million).

Net operating cash flows also include management fees collected of $21.2 million (six months ended 30 September 2018: $20.2 million and year ended 31 March 2019: $39.0 million).

3. Investment properties

	Six months ended 30 Sept 2019 unaudited $000	Six months ended 30 Sept 2018 unaudited $000	Year ended 31 March 2019 audited $000
At fair value			
Balance at beginning of financial period	5,081,607	4,398,304	4,398,304
Additions	147,316	192,213	395,931
Fair-value movement:			
Realised fair-value movement:			
• new retirement-village units	31,835	32,850	87,866
• existing retirement-village units	55,493	49,762	102,600
	87,328	82,612	190,466
Unrealised fair-value movement	92,681	72,826	102,444
	180,009	155,438	292,910
Net foreign-currency exchange differences	14,881	8,524	(5,538)
Net movement for period	342,206	356,175	683,303
Balance at end of financial period	**5,423,813**	**4,754,479**	**5,081,607**

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.

The carrying value of completed investment property is the fair value as determined by an independent valuation report prepared by registered valuers CBRE Limited, at 30 September 2019.

The valuer used significant assumptions that include long-term house-price inflation (ranging from 0 percent to 3.5 percent nominal) (30 September 2018 and 31 March 2019: 0.5 percent to 3.5 percent) and discount rate (ranging from 12 percent to 16 percent) (30 September 2018: 12 percent to 16.5 percent and 31 March 2019: 12 percent to 16 percent).

Investment property includes investment property work in progress of $318.9 million (six months ended 30 September 2018: $329.0 million and year ended 31 March 2019: $325.1 million), which has been valued at cost.

The CBRE valuation for the six months ended 30 September 2018 included within its forecast cash flows the Group's expected costs relating to rebuild works at Malvina Major. The estimate of the gross cash outflows included for remediation works was $10 million over a remaining 6-month period. (31 March 2019: $6 million over a remaining 6-month period). The estimates were based on information available at the time. No costs have been included in the six months ended 30 September 2019.

4. Occupancy advances (non-interest bearing)

	Six months ended 30 Sept 2019 unaudited $000	Six months ended 30 Sept 2018 unaudited $000	Year ended 31 March 2019 audited $000
Gross occupancy advances (see below)	3,427,688	2,993,929	3,203,851
Less management fees and resident loans	(412,053)	(347,471)	(376,161)
Closing balance	**3,015,635**	**2,646,458**	**2,827,690**
Movement in gross occupancy advances			
Opening balance	3,203,851	2,836,314	2,836,314
Plus net increases in occupancy advances:			
• new retirement-village units	160,726	120,447	290,701
• existing retirement-village units.	55,493	49,762	102,600
Net foreign-currency exchange differences	8,766	5,245	(3,408)
Decrease in occupancy advance receivables	(1,148)	(17,839)	(22,356)
Closing balance	**3,427,688**	**2,993,929**	**3,203,851**

Gross occupancy advances are non-interest bearing.

5. Dividend

On 21 November 2019 an interim dividend of 11.5 cents per share was declared and will be paid on 13 December 2019 (prior year: 10.8 cents per share). The record date for entitlements is 6 December 2019.

6. Share capital

Issued and paid-up capital consists of 500,000,000 fully paid ordinary shares (30 September 2018: 500,000,000 and 31 March 2019: 500,000,000). All shares rank equally in all respects.

Basic and diluted earnings and net tangible assets per share have been calculated on the basis of 500,000,000 ordinary shares (30 September 2018: 500,000,000 and 31 March 2019: 500,000,000 shares).

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

7. Trade and other payables

Trade payables are typically paid within 30 days of invoice date or the 20th of the month following the invoice date. Other payables at 30 September 2019 includes $105.4 million (30 September 2018: $19.6 million and 31 March 2019: $68.1 million) for the purchase of land.

8. Operating segments

The Ryman Group operates in one industry, being the provision of integrated retirement villages for older people in New Zealand and Australia. In presenting information on the basis of geographical areas, net profit, underlying profit, and revenue are based on the geographical location of operations. Assets are based on the geographical location of the assets.

	New Zealand $000	Australia $000	Group $000
Six months ended 30 Sept 2019 unaudited			
Revenue	194,817	12,934	207,751
Underlying profit (non-GAAP)	92,812	10,230	103,042
less deferred tax expense	(19,804)	12,362	(7,442)
plus unrealised fair-value movement	79,352	13,329	92,681
Profit for the period	152,360	35,921	188,281
Non-current assets	6,016,085	895,917	6,912,002
Six months ended 30 Sept 2018 unaudited			
Revenue	176,872	10,318	187,190
Underlying profit (non-GAAP)	75,659	21,407	97,066
less deferred tax expense	(359)	-	(359)
plus unrealised fair-value movement	60,701	12,125	72,826
Profit for the period	136,001	33,532	169,533
Non-current assets	5,237,233	635,537	5,872,770
Year ended 31 March 2019 audited			
Revenue	358,524	23,810	382,334
Underlying profit (non-GAAP)	189,903	37,068	226,971
less deferred tax expense	(3,429)	-	(3,429)
plus unrealised fair-value movement	90,167	12,277	102,444
Profit for the year	276,641	49,345	325,986
Non-current assets	5,598,182	700,333	6,298,515

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

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

9. Commitments

The Group had commitments relating to construction contracts amounting to $147.4 million at 30 September 2019 (30 September 2018: $129.9 million and 31 March 2019: $127.3 million).

10. Subsequent events

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