ANNUAL REPORT 2023

ASSET PLUS+

MANAGED BY Centuria


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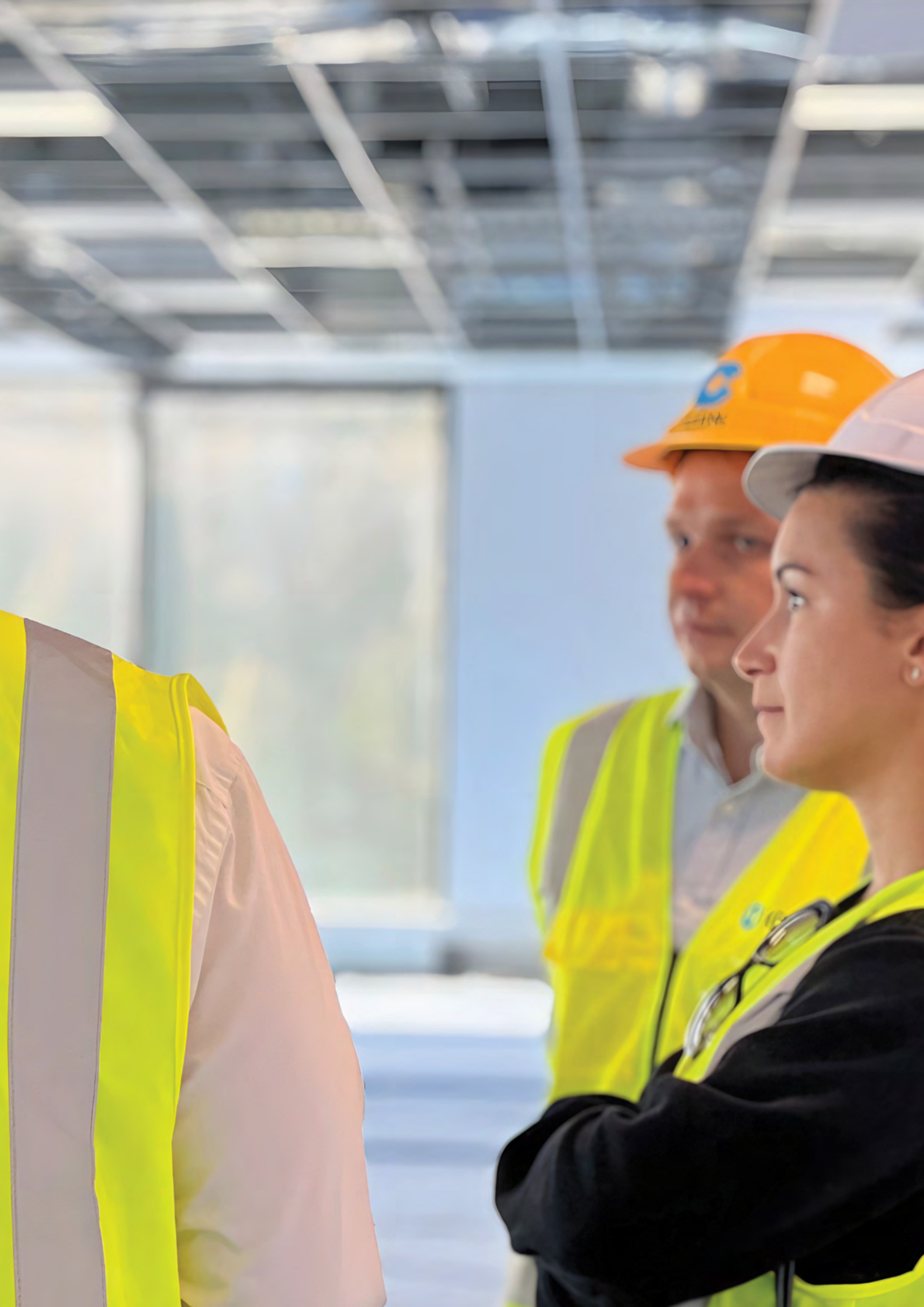

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Chairman's Letter

The macroeconomic environment continues to prove challenging; we've successfully navigated the impacts and ongoing effects of COVID-19 and have now been thrust into a high inflation and increasing interest rate environment. Our focus throughout has remained on the successful completion of Munroe Lane, which I'm pleased to say has now occurred as of 17 May 2023 with the Auckland Council lease commencing.

The Munroe Lane development adds a newly constructed, highly sustainable, well located decentralised office building with a blue-chip tenant covenant – being Auckland Council – across two thirds of the property. Whilst leasing the remainder of the space has proved challenging, it is pleasing to see increasing leasing enquiry as the building has progressed ever closer to completion. We are confident that the fundamentals of the building will attract tenant commitment over the balance of the space, in time.

Throughout the year we've completed successful sales of 35 Graham Street, Eastgate Shopping Centre, and Springs Flat Road in Kamo, with 35 Graham Street subject to deferred settlement in December 2023 or December 2024 (at the purchaser's election).

Post-balance date we've also successfully sold and settled 22 Stoddard Road, Mount Roskill, leaving Munroe Lane the company's sole remaining asset. Realising these assets at, or near NTA, and utilising sale proceeds to reduce debt and leverage is prudent capital management given the current macroeconomic conditions, and the accretive nature of the sales versus the company's current cost of debt.

Despite the currently challenging funding environment the company's debt facilities were extended during the period from September 2023 out to 31 March 2025. BNZ continue to remain supportive of the company and strategy, as evidenced by the increase of the facility limit up to $85 million, and removal of the ICR covenant which was replaced with a $5 million lockbox facility. Post-balance date, upon the completion of the Stoddard Road settlement, the facility limit has been further reduced to $52 million.

Given the changing market conditions, we have seen a revaluation of the portfolio as at 31 March 2023 resulting in $12.69 million of revaluation losses for the year. As a result, NTA has reduced from 44.0 cents per share to 40.4 cents per share.

The result for the full year is in line with expectations, being a $0.28 million loss on an AFFO basis given the vacancy and unrecovered operating expenditure on 35 Graham Street, which will continue until settlement occurs. The dividend was suspended in March 2022 based on the forecast earnings for the company and is likely to remain on hold until 35 Graham Street settles, the balance of Munroe Lane is leased, and the future of the company is determined.

The company's key focus is now on leasing the balance of the Munroe Lane development. Doing so will increase earnings, WALE, the value of the portfolio, and will better position the asset and the company.

Once leasing is complete, or near complete, and with the pending settlement of 35 Graham Street, we anticipate that the company will ultimately be in a unique position of having zero debt and modest cash reserves. The company will then look to sell Munroe Lane, putting the company in a position to consider its options which would include a wind up or pivot in a new direction.

We wish to emphasise that the current variables, being the leasing of Munroe Lane and the final settlement of 35 Graham Street, will influence the timing of such decisions, while market conditions at the time are likely to dictate the ultimate outcome.

Any steps to sell Munroe Lane, or to subsequently wind up the company, will require shareholder approval, and we would likely anticipate asking shareholders to vote on both decisions at the same time.

In the meantime, management remains focused on the objectives outlined above.

Finally, we thank you again for your continued support and look forward to communicating our progress over the next few months.

Bruce Cotterill
Chairman

**AFFO stands for 'Adjusted Funds From Operations', and is non-GAAP financial information, calculated based on guidance issued by the Property Council of Australia. Asset Plus considers that AFFO is a useful measure for shareholders and management because it assists in assessing the Company's underlying operating performance. This non-GAAP financial information does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information prescribed by other entities. The calculation of AFFO has been reviewed by Asset Plus' auditor, Grant Thornton New Zealand Audit Limited.*

Key Points
FROM THE FINANCIAL YEAR

ADJUSTED FUNDS FROM OPERATIONS* LOSS

$0.28 million ($4.22 million in the prior year)

TOTAL LOSS AFTER TAX

$13.05 million ($2.93 million profit in the prior year)

LOAN-TO-VALUE RATIO

31.5%

(reducing to 20%*)

WALE

1.2 years

(increasing to 6.5 years*)

PORTFOLIO VALUE

$216.6 million (reducing to $182 million*)

NET TANGIBLE ASSETS

40.4 cents per share

(reduced from 44.0 cps in the prior year)

PORTFOLIO OCCUPANCY

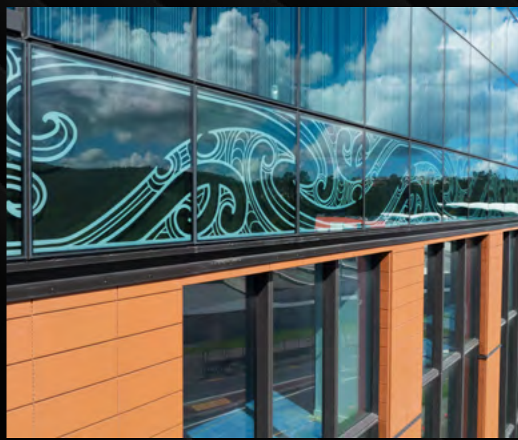
37.0%

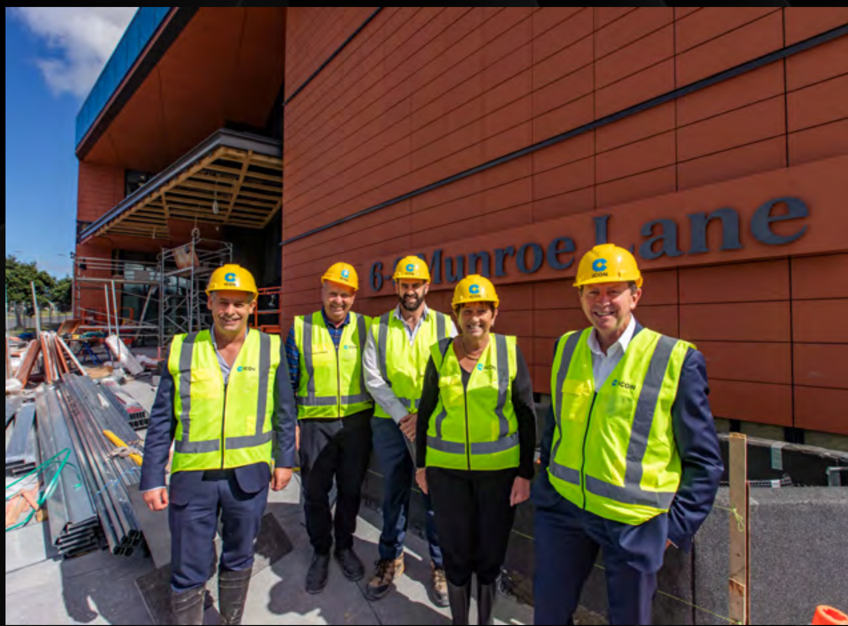
(reduces to 42%*)

** Post-balance date impact of Stoddard Road divestment on 1 May 2023 and Auckland Council lease start at Munroe Lane on 17 May 2023.*

Munroe Lane

Munroe Lane,
Albany, Auckland





Effectively complete

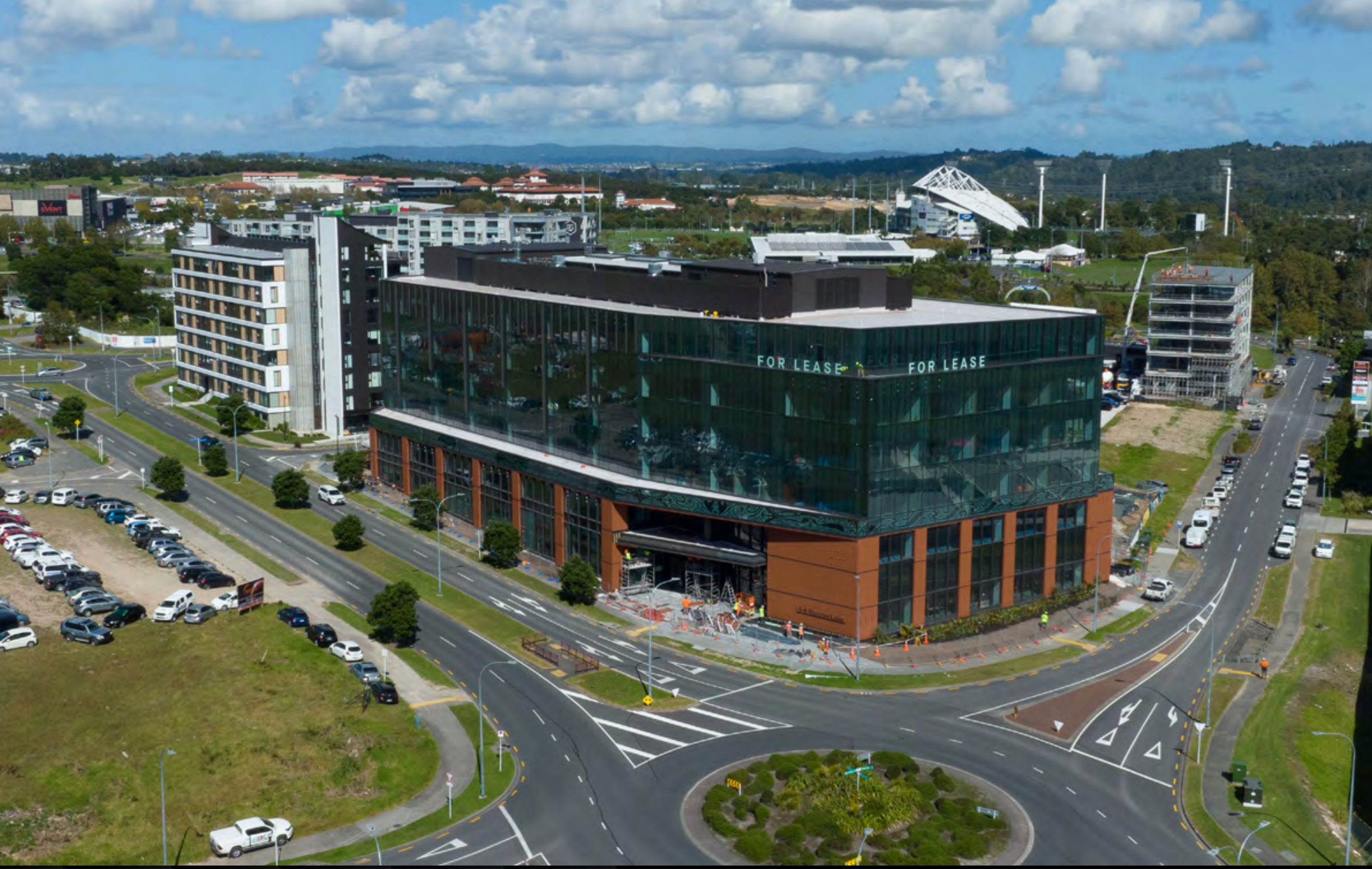
Now effectively complete, project was delayed five months from the original mid-December 2022 target completion date, largely as a result of the impacts of COVID-19, and more recently by Tenant led changes.

Valuation

As-if complete valuation based on just the Auckland Council (committed) lease is $126 million, less forecast costs to complete of $7.4 million. Accordingly, a fair value of $118.6 million as at balance date.

5 star Green Star rating

Target 5 Star NABERSNZ Energy Rating



6 Levels + 224 carparks

6 levels plus 2 basement carparking level development in the heart of Albany with 224 carparks.

Large campus style floor plates

Large floor plates of ~3,000 m² each.

Food & Beverage

~425m2 of expected Café / Food & Beverage / Retail outlets on Ground & Level 1.

Natural light

Excellent daylighting due to three street frontages, an adjoining laneway and a central atrium.

63% pre-leased

63% (by forecast income) pre-leased on a 15-year lease to Auckland Council. Auckland Council lease commenced 17 May 2023, with Practical Completion expected mid June once Tenant works are completed.

Increased interest

Leasing interest for the remaining space has increased as development nears completion.

35 Graham Street

Unconditionally sold with deferred settlement

35 Graham Street,
Auckland CBD

Unconditionally sold

Unconditionally sold, with a deferred settlement date of 1 December 2023 at the earliest.

Right to defer

Purchaser has a right to defer settlement a further 12 months, subject to additional consideration of $3 million and a further deposit of 10% (taking deposit total to 20%).

Fair Value

As the settlement is deferred, the current Net Present Value (NPV) is $61.7 million, based on the discounted value of the future sale proceeds.

Stoddard Road

Sold post balance date

22 Stoddard Road,
Mt Roskill, Auckland

Indicative lines only

$36.75 million

Sale settled

Sale settled on 1 May 2023, post-balance date, following an open market sales campaign which commenced in February 2023.

2.9 years

WALE

WALE for the Centre was 2.9 years at balance date, with occupancy remaining at 100%.

Lease extension secured

5 year lease extension secured with Coffee Club, representing 3.7% of the Centre's income.

ASB

Lease renewal

3 year lease renewal agreed with ASB from early 2023, representing 3.6% of the Centre's income.

1.3% increase

Market rent review

Market rent review with The Warehouse was settled with a 1.3% increase to their net rent.

100%

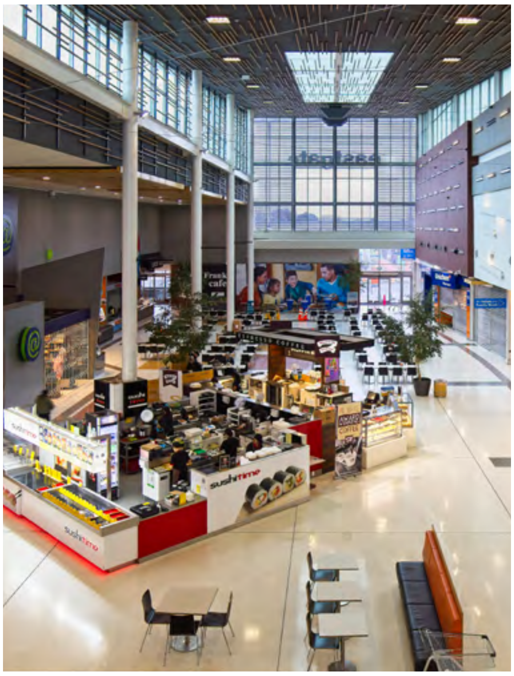
100% Occupancy

Occupancy remained at 100% throughout the year.

Eastgate

Sold

Cnr Buckleys Road &
Linwood Avenue,
Christchurch



$43.45 million

Sale price

Sale price of $43.45 million

settled

Settled

Settled on 29 August 2022 after title issue was rectified by management

$40.0 million

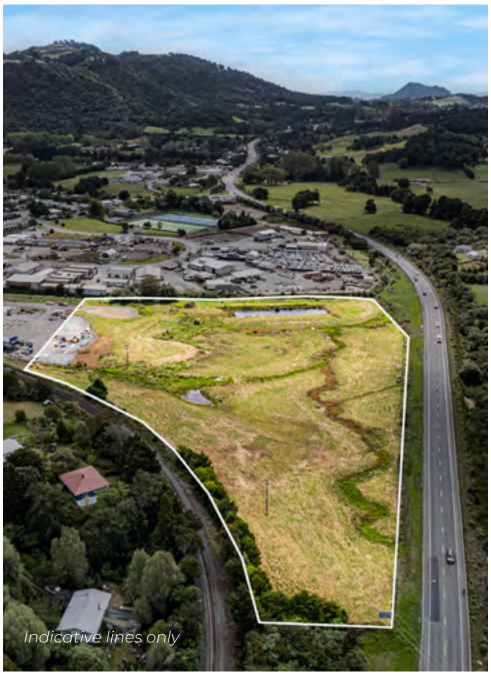
Debt repayment

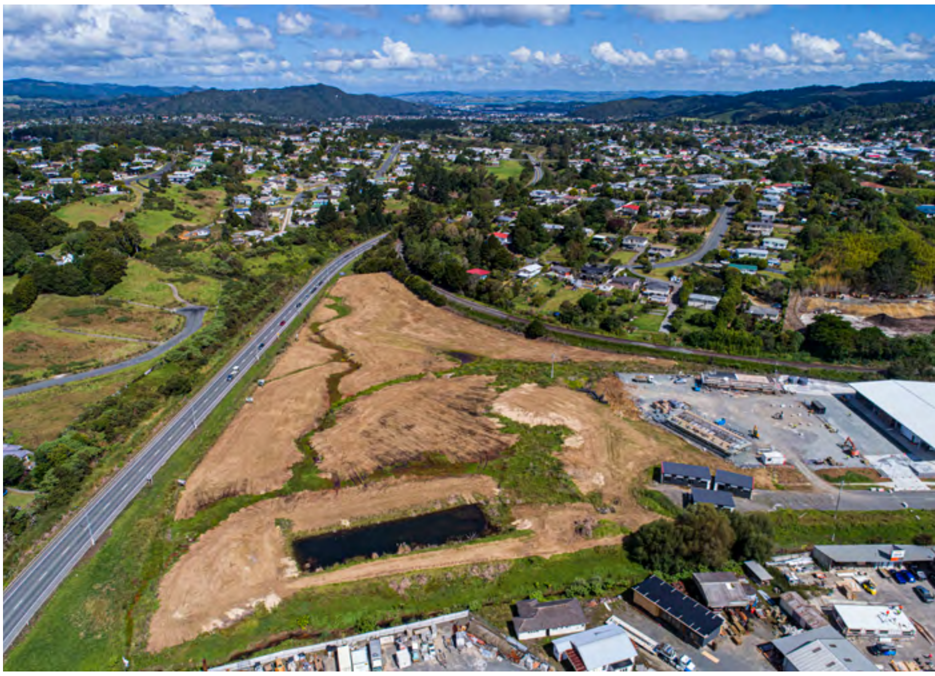
$40 million debt repayment with the balance of sale proceeds retained as working capital

Kamo

Sold

38 Springs Flat Road,
Kamo, Whangarei





$2.7 million

Sale price

Sale price of $2.7 million

settled

Settled

Settled on 30 November 2022

$

Funds from divestment

Funds from divestment applied towards the cash lockbox of $5 million

Finance Report

Five Year Financial Summary

	2023 $'000	2022 $'000	2021 $'001	2020 $'000	2019 $'000
Total Net Revenue	**3,466**	**7,729**	**9,953**	**10,959**	**9,151**
Administration Expenses	(1,939)	(1,711)	(1,736)	(1,644)	(1,766)
Net Finance Costs	(2,000)	(1,549)	(1,144)	(1,664)	(1,079)
Total Operating Income (Loss)	**(473)**	**4,469**	**7,073**	**7,651**	**6,306**
Unrealised Interest Rate Swap Gain/(Loss)		-	-	-	133
Realised And Unrealised Gain/(Loss) On Investment Property And PP&E	(13,034)	(1,005)	8,866	(19,069)	(2,696)
Transaction Costs	-	-	(12)	(1,774)	(224)
Net Profit/(Loss) Before Taxation	**(13,507)**	**3,464**	**15,927**	**(13,192)**	**3,519**
Income Tax Expense	458	(533)	22	(1,496)	284
Profit And Total Comprehensive Income (Loss)	**(13,049)**	**2,931**	**15,949**	**(14,688)**	**3,803**
Basic And Diluted Earnings Per Share	(3.60)	0.81	6.00	(9.07)	2.35

Financial Result Summary

	2023 $'000	2022 $'000	Variance $'000	Commentary
Total Net Revenue	**3,466**	**7,729**	**(4,263)**	Net rental has reduced by $4.26 million. The 35 Graham Street vacancy impact year on year is $2.17 million and the impact of the Eastgate divestment in August 2022 is $2.28 million. Stoddard Road is marginally ahead year on year by $0.20 million due to increased rental income and minimal abatements were booked in FY23 ($0.1 million in FY22).
Administration Expenses	(1,939)	(1,711)	(228)	Management fees were $0.11 million higher due to slightly higher average gross asset values in FY23.
Net Finance Costs	(2,000)	(1,549)	(451)	Net Finance Costs increased by $0.45m. The FY23 net finance costs include: • Line fees $0.43 million (FY22: $0.76 million). Line fees reduced due to a reduction in the facility limit; • Interest of $1.72 million (FY22: $0.73 million) due to higher interest rates and average drawn debt; • Loan Establishment fees amortisation of $0.09 million (FY22: $0.06 million) • Interest income of $0.24 million (FY22: $0.01 million). Interest income was higher due to the lockbox and higher interest rates.
Total Operating Income/(Loss)	**(473)**	**4,469**	**(4,942)**	
Loss On Sale Of Investment Property	(347)	212	(559)	Loss on sale at Eastgate ($94,000) and Kamo ($253,000) in FY23. The profit last year relates to a recovery at AA Centre, which is a former property owned by Asset Plus.
Fair Value Loss In Value Of Investment Property	(12,687)	(1,217)	(11,470)	$12.69 million unrealised fair value loss driven by softening cap rates at Munroe Lane ($7 million write down) and committed exit at Stoddard Road ($7.2 million). This is offset by $1.5 million fair value gain at 35 Graham Street which is driven by the discount fair unwind as the fair value is based on the future settlement cash flow proceeds discounted at 8.5%.
Net Other Gains/Losses	**(13,034)**	**(1,005)**	**(12,029)**	
Net Profit/(Loss) Before Taxation	**(13,507)**	**3,464**	**(16,971)**	
Income Tax	458	(533)	991	No current tax expense in FY23 and deferred tax has been adjusted to reflect tax losses to carry forward.
Profit And Total Comprehensive Income/(Loss)	**(13,049)**	**2,931**	**(15,980)**	

Adjusted Funds from Operations - Reconciliation to Net Profit After Tax

	2023 $'000	2022 $'000
Statutory Net Profit After Tax	**(13,049)**	**2,931**
Investment Property And Inventory		
Loss/(Gain) From Sales Of Investment Property	347	(212)
Fair Value (Gain)/Loss On Investment Property	12,687	1,217
Deferred Tax		
Deferred Tax Expense	(414)	210
Net Operating Income (Loss) After Tax	**(429)**	**4,146**
Amortisation Of Lease Incentives And Costs	135	191
Amortisation Of Rent Relief Due To COVID-19	90	70
Funds From Operations (FFO)	**(204)**	**4,407**
Incentives Granted/Commissions Paid	(30)	(96)
Rent Relief Due To COVID-19	-	(31)
Maintenance CAPEX	(50)	(58)
Adjusted Funds From Operations	**(284)**	**4,222**
AFFO (CPS)	(0.07)	1.16

Balance Sheet

	2023 $'000	2022 $'000
Cash	4,867	4,387
Investment Properties	118,556	170,016
Properties Held For Sale	97,990	46,355
Other Assets	8,069	3,935
Total Assets	**229,482**	**224,693**
Bank Debt	71,369	55,700
Other Liabilities	11,608	9,439
Total Liabilities	**82,977**	**65,139**
Equity	**146,505**	**159,554**
Net Tangible Assets Per Share ($)	**0.404**	**0.440**

Investment Property Portfolio Summary

31 March 2023	Fair Value ($000s)	Net Rent ($000s)	Yield %	WALE Years	Occupancy %
Stoddard Road	36,330	2,750	7.57%	2.90	100%
Munroe Lane	118,556	-	-	-	-
35 Graham Street	61,660	-	-	-	-
Total	**216,546**	**2,750**		**1.18**	**37.1%**

29 May 2023	Fair Value ($000s)	Net Rent ($000s)	Yield %	WALE Years	Occupancy %
Munroe Lane*	126,000	$4,672	6.0%	10.01	63%
35 Graham Street	61,660	-	-	-	-
Total	**187,660**	**$4,672**		**6.5**	**42%**

** Munroe Lane assumed to be complete and based on committed occupancy.*

Investment Property, including properties held for sale, total $216.5 million as at 31 March 2023 ($216.4m in the prior year). Graham Street ($61.7m) and Stoddard Road ($36.3 million) were transferred from investment property to held for sale during the year.

Eastgate and Kamo were divested during the financial year. Eastgate settled in late August 2022 and the net sale proceeds were applied as a debt repayment reducing the facility limit from $123.5 million to $85 million. The net sale proceeds from the Kamo divestment on 30 November 2022 were applied to the cash lockbox. These funds are held on term deposit.

Munroe Lane is the remaining investment property. This property increased in value from $67 million to $118.6 million during the year. A $7 million write down was reflected as the cap rate softened. Previously this asset has been held at cost but tested for impairment. As the development is nearing completion as at balance date the fair value can be reliably measured. The fair value is measured off the as if complete valuation based on committed occupancy, being the Auckland Council lease, and then adjusted for the balance of the costs to complete the development as at balance date.

Stoddard Road and Graham Street are both now held for sale. Stoddard Road settled on 1 May 2023 (post balance date) and 35 Graham Street is a committed but deferred settlement. Stoddard Road has been valued based on the transaction price less costs of disposal. The 35 Graham Street fair value is assessed on the future settlement cash flows discounted at 8.5%. The discount rate has increased during the financial year due to rising interest rates.

Capital Management

$71.4 million of debt is currently drawn which represents a LVR of 31.5% as at 31 March 2023 (25.7% in the prior year). The loan facility limit as at 31 March 2023 is $85 million and the remaining undrawn debt totalling $13.6 million which will primary be used to fund the development and remaining leasing at Munroe Lane. This limit reduced to $52 million post the sale of Stoddard Road which occurred post balance date on 1 May 2023. All net proceeds from the sale of Stoddard were applied as a debt repayment but the limit was only reduced by $33 million.

Funding extended to 31 March 2025

The loan was successfully extended from 30 September 2023 to 31 March 2025 which is beyond the 35 Graham Street settlement if the purchaser takes up the option to extend by 12 months.

As part of the refinance and because 35 Graham Street is vacant a lockbox mechanism is in place to cover the ICR shortfall up to 1.5 times cover. This cash lockbox equates to $5 million and funds can only be released from this lockbox once the earnings profile improves from committed leases.

The interest cover ratio (ICR) is not formally tested from a loan covenant perspective however EBITDA metrics are to be reported to the bank each quarter which assists with testing the sizing of the lockbox of $5 million.

The development facility converts to an investment facility on Munroe Lane practical completion which is forecast to be mid June 2023.

Dividends

No dividends were paid during the financial year. The dividend remains subject to quarterly review. However, the dividend will likely remain suspended until the future direction of the company is confirmed.

Director Profiles

Bruce Cotterill
Chairman,
Non-Executive
Independent Director

Bruce Cotterill joined the Board of Asset Plus in April 2017. Bruce is an experienced CEO, Chairman and Company Director, who has excelled in a number of sectors and in a range of extremely demanding roles. This includes businesses going through major transformation brought about by financial performance, structural change and cultural issues. As a CEO he has led real estate group Colliers, both in New Zealand and Australia, Kerry Packer's ACP Magazines, and iconic New Zealand sportswear company Canterbury International. As CEO of Yellow Pages Group he was appointed to lead that company through a period of dramatic change, including the restructure of the Company's $1.8 billion of debt. Bruce was Chairman of Noel Leeming Group for 8 years until that Company's sale to The Warehouse.

Carol Campbell
Non-Executive
Independent Director

Carol Campbell joined the Board of Asset Plus in May 2015 and chairs the Audit and Risk Committee. Carol is a Fellow Chartered Accountant and a member of Chartered Accountants Australia and New Zealand. Carol has extensive financial experience and a sound understanding of efficient Board governance. Carol holds a number of directorships across a broad spectrum of companies, including T&G Global, New Zealand Post, NZME and the Fisher Listed Investment companies – Kingfish, Barramundi and Marlin Global, where she is also Chair of the Audit and Risk Committee. She is also a Director of Kiwibank. Carol was a Director of The Business Advisory Group for 11 years, a Chartered Accountancy Practice, and prior to that a partner at Ernst & Young for over 25 years.

John McBain
Non-Executive Director

John joined the Centuria Capital Limited ("CNI") Board (formerly Over Fifty Group) on 10 July 2006. He was appointed as Chief Executive Officer of the Over Fifty Group in April 2008 and serves as Joint CEO with Jason Huljich. John was also a founding director and major shareholder in boutique funds manager Century Funds Management, which was established in 1999 and acquired by the Over Fifty Group in July 2006. Prior to joining CNI, John held senior positions in a number of property development and property investment companies in Australia, New Zealand and the United Kingdom. As a director of both the largest shareholder and the Manager, John is therefore not an independent director. John joined the Board in September 2020.

Paul Duffy
Non-Executive Director

Paul Duffy has over 36 years' experience in the property investment/development industry, including CEO/executive director of DNZ Property Fund (now named Stride Property) for 13 years. During his career, Paul held the position of General Manager of Fletcher Property Limited and was Joint Managing Director of US Real Estate Subsidiaries for the Abu Dhabi Investment Authority. In this role he oversaw the formation of a large real estate portfolio in the United States and Europe. Paul is currently a Director of Leighs Construction and a number of private companies. Paul is the former chairman of the Manager, and is therefore not an independent director.

Paul joined the Board in April 2017.

Allen Bollard
Non-Executive
Independent Director

Allen has a long background in accounting, business analysis, risk management, tax, and finance, mostly in property and construction. Starting as a partner in a major accounting firm, he was then CFO for three listed property companies and for ten years was CEO/CFO of Tramco Group, which managed and financed several large privately held leasehold land owning partnerships including Viaduct Harbour Holdings, Tram Lease, Quay Lease, Kiwi Forests, Wairakei Pastoral and Calland Properties Ltd. He is now an independent business and finance consultant and Director, still advising Tramco and is an independent trustee for the Wyborn and Green families. He is the Government approved independent director of Tamaki Makaurau Community Housing Joint Venture and Chair of the Odyssey House Board of Trustees.

Allen joined the Board in April 2017.

The Manager

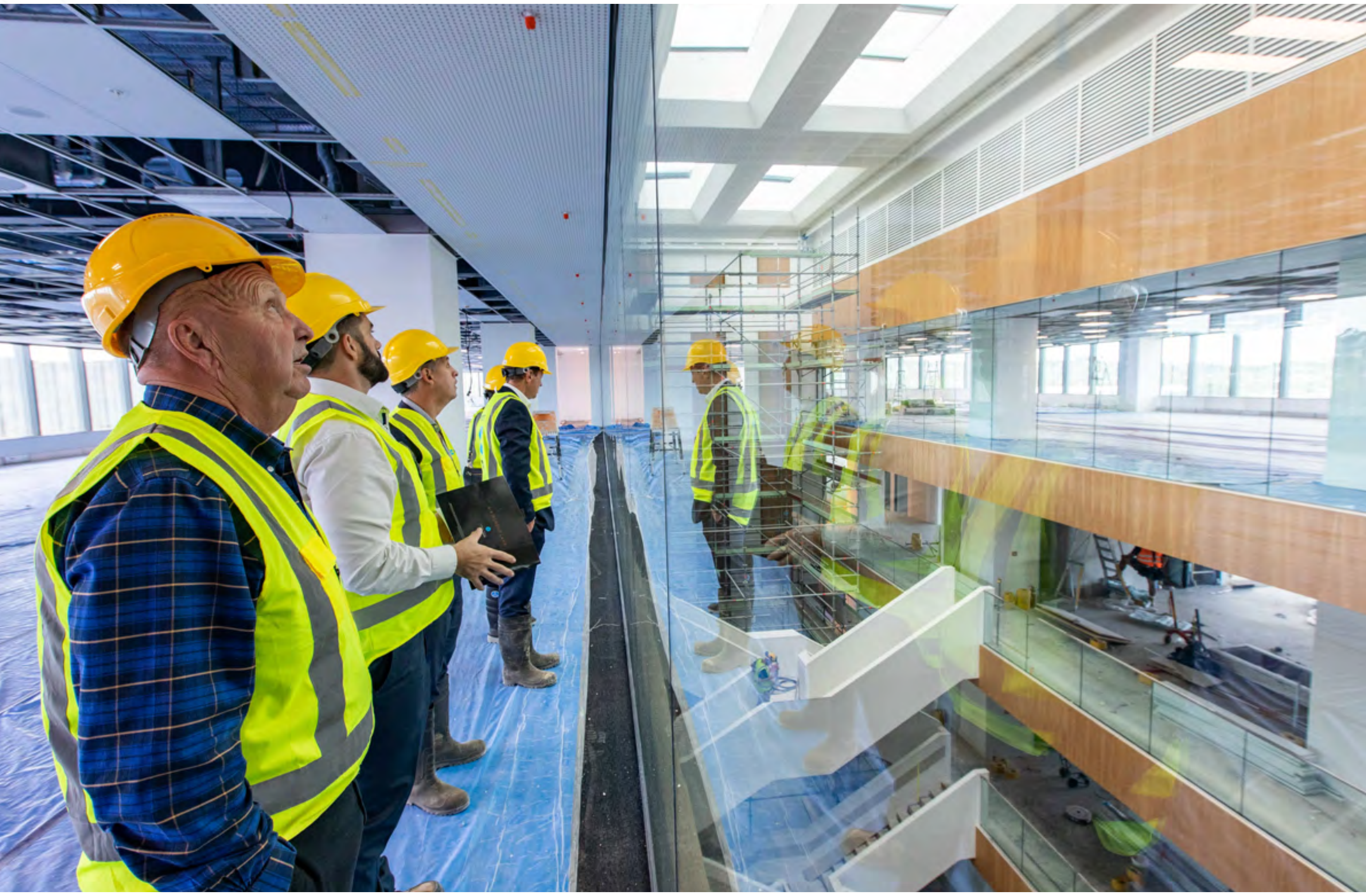
Centuria NZ is a leading fund manager with operations across New Zealand and Australia. Centuria NZ owns or manages 92 properties across sectors including office, retail, industrial, healthcare and agricultural, with $2.6 billion of assets under management.

Centuria NZ employs 41 staff across offices in Auckland, Christchurch and New Plymouth, with specialist expertise in asset management and development management, as well as other essential professional functions including accounting, treasury and investor relations, legal, compliance and company secretariat.

The Manager's parent company, ASX-200 listed Centuria Capital Group manages over $20 billion of real estate assets across Australia and New Zealand.

The scale of Centuria's business allows a vantage point from which to understand the market and unlock real estate opportunities. Centuria has comprehensive and up-to-date knowledge and insights pertaining to property buyers/sellers, tenants and, importantly, the constant and subtle shifts to lending and bank sentiment. Centuria Capital (NZ) No.1 Ltd, as the shareholder of the manager, owns 19.99% of Asset Plus.

Centuria



Corporate Governance

The Board of Asset Plus is committed to maintaining the highest standards of business behaviour and accountability.

Accordingly, the Board has adopted corporate governance policies and practices designed to promote responsible conduct.

The corporate governance framework is set out in Asset Plus' Corporate Governance Manual, a copy of which can be found at the Company's website: www.assetplusnz.co.nz/corporate-governance.

This section sets out Asset Plus' corporate governance policies, practices and processes with reference to the NZX Corporate Governance Code's eight key principles and supporting recommendations. The Board considers that it has followed the recommendations of the NZX Corporate Governance Code except as set out below under each Principle.

This Corporate Governance Statement is current as at 31 March 2023. It reports against the NZX Corporate Governance Code dated 17 June 2022.

Principle 1 – Code of Ethical Behaviour

> Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

A Code of Ethics has been adopted by which the Company has set out expectations for all Directors, officers, any employees and representatives to act in a manner consistent with its guiding principles and the values set out in its Code of Ethics. This Code sets out clear expectations of ethical decision-making and personal behaviour in regard to confidentiality, securities trading, transparency, company information, conflict resolution processes, gifts and stakeholder interaction. A copy of the Code of Ethics is included in the Corporate Governance Manual available at www.assetplusnz.co.nz/corporate-governance.

Any illegal or unethical behaviour is to be reported to the Board. The Chairman will determine the seriousness of the behaviour and what action needs to be taken. The Chairperson may decide that a sub-committee of the Board will be formed to determine what action should be taken.

Asset Plus' manager, Centuria, has also adopted a Code of Conduct which applies to its employees and directors. The Code sets out the minimum standards expected of Centuria's employees and directors and is intended to facilitate decisions that are consistent with Centuria values, business goals and legal and policy obligations. A copy of the Centuria Code of Ethics is available at https://centuria.com.au/wp-content/uploads/2022/07/Centuria-Code-of-Conduct.pdf.

Asset Plus has also adopted a Share Trading Policy which sets out the rules for dealing in the listed financial products of Asset Plus. The policy prohibits trading by directors of Asset Plus without the written consent of the Chairperson. There are also 'no trade' periods around the release of the Annual and Interim reports. A copy of the policy is available at www.assetplusnz.co.nz/corporate-governance.

Centuria has also adopted an Insider Trading Policy which sets out the rules for dealing in the financial products of any entity that Centuria NZ manages (including Asset Plus). The policy prohibits trading by any employee or director of Centuria without the written consent of the Centuria NZ Chair. Other than in exceptional circumstances, all trading is prohibited during blackout periods for 30 days prior to half- and full-year balance dates until the first trading day after the relevant results are announced.

Principle 2 – Board Composition and Performance

> To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives.

Board Charter

The Asset Plus Board has adopted a Board Charter and Governing Principles which sets out that the specific responsibilities of the Board and its Committees include:

- oversight of the Company including its control and accountability procedures and systems;
- setting the strategic direction and objectives of the Company;
- overseeing the audit and monitoring risk;
- approval of operating plans including annual business plans and budgets;
- monitoring actual results against the annual business plan, budget and strategic objectives;
- delegating the appropriate authority of the management of the Company, and monitoring management's performance on a regular basis;
- setting the remuneration of the Directors;
- approval and monitoring capital expenditure, capital management initiatives and acquisitions and divestments;
- approval of capital structure and dividend policies; and
- oversight of disclosure and monitoring of price sensitive matters affecting the Company.

Director nominations and appointments

The Board has adopted a Nomination Committee Charter which sets out the procedure for nominating and appointing potential directors to the Board. Given its size, the full Board of Asset Plus acts as the Nominations Committee. The responsibilities set out in the Nomination Committee Charter are:

- to identify and nominate candidates to fill Board vacancies as and when they arise;
- before making an appointment, to evaluate the balance of skills, knowledge and experience on the Board and, in light of the evaluation, to determine the role and capabilities required for the appointment;
- to formulate succession plans for Directors taking into account the challenges and opportunities facing the Company and the skills and expertise accordingly required to govern the Company in the future;
- to regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and to make any changes; and
- to consider such other matters relating to Board nomination or succession issues as may be identified by the Board.

Formal agreements are entered into with all new directors.

Board composition

Director profiles are on page 14 and director shareholdings are listed on page 53.

Directors undertake continuing education to keep their skills current and understand how to best perform their duties.

The Board Charter sets out that the Board will review its performance as a whole on an annual basis and instigate additional comprehensive reviews as may be deemed necessary from time to time. External consultants may be commissioned as needed to assist in the assessment of individual director performance, the effectiveness of the Board's processes and/or the Board's own effectiveness.

The factors relevant to determining that Bruce Cotterill, Allen Bollard and Carol Campbell were independent directors were that they are non-executive directors, they have either no shareholding or, in the case of Carol Campbell, a holding of less than 1% and that they have no other business relationship with Asset Plus.

The factors relevant to determining that Paul Duffy is not an independent director is that, until recently, he is a director of both the Manager and the largest shareholder.

The factors relevant to determining that John McBain is not an independent director is that, he is a director and beneficial owner of both the Manager and the largest shareholder.

Diversity

Asset Plus has not adopted a diversity policy as it no longer has any employees following externalisation of management to Centuria and accordingly has not complied with this recommendation for the entire period in which the NZX Corporate Governance Code has been in place. This practice has been approved by the Asset Plus Board.

Breakdown of Gender Composition of Asset Plus' Directors and Officers.

	Male		Female	
Financial Year	**Directors**	**Officers**	**Directors**	**Officers**
Year Ending 31 March 2023	4	3	1	0
Year Ending 31 March 2022	4	3	1	0

Chair and CEO

In accordance with the NZX Corporate Governance Code and as a result of management being externalised, Asset Plus' Chair is not also its CEO.

Principle 3 – Board Committees

> The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility.

The Asset Plus Board has established a separate Audit and Risk Committee comprising of three directors. The Corporate Governance Manual also includes charters for Nominations Committee and Remuneration Committee. However, the full Board undertakes the responsibilities of those Committees. Given the size and operations of Asset Plus, the Board does not consider that any further committees are necessary.

Audit and Risk Committee

The Audit and Risk Committee's primary objectives are:

- to set the principles and standards with respect to internal controls, accounting policies and the nature, scope, objectives and functions of the external audit. This objective enables the Board to satisfy itself that management is discharging its responsibilities in accordance with established processes and, wherever practical, best practice methodologies; and
- to ensure the efficient and effective oversight and management of all business risks.

Key responsibilities for the Audit and Risk Committee include:

- Establishing guidelines for the selection, appointment and/or removal of the external auditor as well as the rotation of the lead partner of the audit firm;
- Revising and recommending to the Board the appointment and removal of the external auditor if the Committee considers necessary;
- Ensuring the external auditor is discharging its responsibilities, including monitoring the effectiveness, objectivity and independence of the external auditor;
- Reviewing draft financial statements, NZX preliminary announcements and annual and interim reports;
- Reviewing accounting policies and practices;
- Reviewing the risk management policy and the Manager's risk management reporting; and
- Reviewing the Delegated Authority Policy annually.

The members are all independent directors being Carol Campbell (Chair), Allen Bollard and Bruce Cotterill. The Audit and Risk Committee is required to meet at least twice a year, with 4 meetings being held in the 2022 financial year.

Representatives of the Manager only attend meetings of the Audit and Risk Committee at the invitation of the committee.

Remuneration Committee

The full Board acts as the Remuneration Committee. The Remuneration Committee Charter is included in the Corporate Governance Manual. The responsibilities include setting and reviewing all components of the remuneration of non-executive Directors.

Nominations Committee

The full Board acts as the Nominations Committee. The Nominations Committee Charter is included in the Corporate Governance Manual. The responsibilities are as set out on page 17.

Takeover protocols

In June 2018, the Board adopted protocols setting out the procedures to be followed if a takeover offer is received.

Principle 4 – Reporting and Disclosure

> The board should demand integrity in financial and non financial reporting, and in the timeliness and balance of corporate disclosures.

Continuous disclosure

Asset Plus has adopted a disclosure policy setting out its approach to disclosing material information and communication with shareholders or analysts. Asset Plus recognises that the cornerstone of New Zealand and international securities law is full and fair disclosure of material information and that the timely, non-exclusionary distribution of information to the public is crucial to the efficiency and integrity of the capital markets.

A copy of the policy is available on Asset Plus' website at www.assetplusnz.co.nz/corporate-governance, along with the Corporate Governance Manual.

Principle 5 – Remuneration

> The remuneration of directors and executives should be transparent, fair and reasonable.

Remuneration of directors is reviewed by the Board.

The director remuneration pool was approved at $300,000 when Asset Plus was formed following the corporatisation of the National Property Trust in 2011. In June 2017, the Asset Plus Board approved the following director fees which have continued to be paid during the past year:

Director remuneration

As Asset Plus no longer has any employees, it does not have a remuneration policy. Accordingly, Asset Plus has not complied with this recommendation for the entire period in which the NZX Corporate Governance Code has been in place. This practice has been approved by the Asset Plus Board.

Chief Executive remuneration

Following the externalisation of management to Centuria, Asset Plus no longer has a CEO.

Director	Base Director Fees	Committee Fees	Annual Fee	Amount Paid During The Year
Bruce Cotterill	$90,000 – Chair	-	$90,000	$90,000
Carol Campbell	$65,000	$10,000 – Chair Of Audit And Risk Committee	$75,000	$75,000
Allen Bollard	$65,000	$5,000 – Member Of Audit And Risk Committee	$70,000	$70,000
Paul Duffy	$65,000	-	$65,000	$65,000
John Mcbain	-	-	-	-
Total			**$300,000**	**$300,000**
Approved Pool			**$300,000**	

Principle 6 – Risk Management

> Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

Asset Plus relies on Centuria's risk management framework to identify, oversee, manage and control risks that Asset Plus faces. Key risks have been identified including interest rate and treasury risk, leasing risk, cyber security, construction and development risk, compliance with regulatory obligations, property risks (such as tenant default), fraud and health and safety risks.

Centuria is responsible under the management agreement for advising the Asset Plus Board on risk management matters. The Audit and Risk Committee receives such reports and oversee risk management.

Health and safety

Centuria oversees health and safety compliance on a day to day basis for Asset Plus in conjunction with the property managers for each property. Each property has a hazard register which is managed on a day to day basis by the property managers and overseen by Centuria's asset managers.

Centuria's management team oversees compliance with Centuria's health and safety framework including regular reporting to the Board. This includes regular reporting to the Board on key health and safety statistics, incidents and hazard remedies.

The Asset Plus Board also considers health and safety issues at each board meeting and as they arise if necessary. A key focus for the Asset Plus Board is ensuring that hazards are identified and remedied and that reporting identifies the progress with remedial actions.

Principle 7 – Auditors

> The board should ensure the quality and independence of the external audit process.

The Audit and Risk Committee Charter sets out Asset Plus' framework for managing relationships with its auditor. This includes the ability for directors to communicate directly with auditors and for auditors to attend meetings of the Audit and Risk Committee without management present. Any non-audit services provided by the audit firm must be approved by the Audit and Risk Committee.

Grant Thornton is the auditor of Asset Plus with the audit partner rotated every 5 years. Grant Thornton attends each annual shareholder meeting and is available to answer shareholder questions at the meeting.

Asset Plus has no separate internal audit function as it has no employees. It relies on the Manager's compliance assurance and risk management processes for ensuring continued improvement.

Principle 8 – Shareholder Rights and Relations

> The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

Asset Plus' website at www.assetplusnz.co.nz includes a range of information including bios for directors, copies of the Corporate Governance Manual, the constitution and historical annual and interim reports.

The Company engages with shareholders through annual and interim reports, results conference calls, presentations to shareholders and the annual shareholder meeting.

Shareholders have the right to receive communications electronically by notifying the share registrar. Major decisions which require approval under the NZX Main Board Listing Rules are submitted to shareholders for approval. All voting at shareholder meetings (such as the 2020 meeting for the Munroe Lane development) is conducted by a poll.

The annual shareholders notice of meeting in 2022 was provided to shareholders at least 20 working days prior to the annual meeting.

Statutory disclosures

Principal Activities

Asset Plus Limited is a listed commercial property investment company investing solely in New Zealand real estate.

Board Composition

The table below sets out details of the current directors of Asset Plus Limited and its subsidiary, including the date on which they were appointed.

No one ceased to be a director of the Company or its subsidiary during the year ending 31 March 2022.

Director	Date Appointed
Bruce Cotterill	21 April 2017
Carol Campbell	25 May 2015
Allen Bollard	21 April 2017
Paul Duffy	21 April 2017
John Mcbain	8 September 2020

Board Attendance

Directors attended the following formal meetings of the Board in the year to 31 March 2022.

Director	Board Meetings Held While A Director	Board Meetings Attended	Audit & Risk Committee Meetings Attended
Bruce Cotterill	8	8	3
Carol Campbell	8	8	4
Allen Bollard	8	8	4
Paul Duffy	8	8	-
John Mcbain	8	7	-

Interest Register Record

There were no entries made in the interests register during the year ended 31 March 2023.

Share Dealings by Directors

There were no share dealings by Directors during the year ended 31 March 2023.

Securities of the Company in which each Director had a relevant interest as at 31 March 2023:

Director	Holding	Security Held	Nature Of Relevant Interest
Carol Campbell	99,504	Ordinary Shares	Registered Holder And Beneficial Owner

Indemnity and Insurance

The Company has effected Directors and Officers liability insurance at prevailing rates for all Directors.

The Company and its subsidiaries have continued to indemnify the Directors for any costs referred to in Section 162(3) of the Companies Act 1993 and any liability or costs referred to in Section 162(4) of the Act.

Donations

The Company did not make any donations in the year to 31 March 2023 (2022: Nil).

Audit Fees

Amounts paid to the Auditor of the Company:

	2023 $'000	2022 $'000
Grant Thornton Audit Fees	75	68
In Addition To The Audit Fee The Following Other Fees Were Paid To Auditors:		
Other Assurance Services	30	25
Total	**105**	**93**

Financial Statements

2023

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Consolidated Statement of Comprehensive Income

For the year ended 31 March 2023

	Note	2023 $'000	2022 $'000
Gross Rental Revenue		6,377	11,932
Direct Property Operating Expenses		(2,911)	(4,203)
Net Rental Revenue	**5**	**3,466**	**7,729**
Administration Expenses	6	(1,939)	(1,711)
Net Finance Costs	6	(2,000)	(1,549)
Net Total Operating Expenses		**(3,939)**	**(3,260)**
Net Operating Surplus (Deficit)		**(473)**	**4,469**
Gain (Loss) On Sale Of Investment Property		(347)	212
Net Fair Value (Loss) On Investment Properties		(12,687)	(1,217)
Net Profit (Loss) Before Taxation		**(13,507)**	**3,464**
Income Tax	**7**	**458**	**(533)**
Net Profit (Loss) After Taxation		**(13,049)**	**2,931**
Other Comprehensive Income		-	-
Total Comprehensive Income (Loss) For The Year, Net Of Tax		**(13,049)**	**2,931**
Basic/Diluted (Loss)/Earnings Per Share	**17**	**(3.60)**	**0.81**

The notes set out on pages 31 to 49 form part of, and should be read in conjunction with, the consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2023

	Note	Share Capital $'000	Accumulated Losses $'000	Total $'000
Opening Balance At 01 April 2021		**192,726**	**(30,365)**	**162,361**
Net Profit After Taxation		-	2,931	**2,931**
Total Comprehensive Income For The Year, Net Of Tax		**-**	**2,931**	**2,931**
Dividends	18	-	(5,738)	**(5,738)**
Closing Balance At 31 March 2022		**192,726**	**(33,172)**	**159,554**
Opening Balance At 01 April 2022		**192,726**	**(33,172)**	**159,554**
Net Profit (Loss) After Taxation		-	(13,049)	**(13,049)**
Total Comprehensive Income (Loss) For The Year, Net Of Tax		**-**	**(13,049)**	**(13,049)**
Dividends	18	-	-	**-**
Closing Balance At 31 March 2023		**192,726**	**(46,221)**	**146,505**

The notes set out on pages 31 to 49 form part of, and should be read in conjunction with, the consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March 2023

	Note	2023 $'000	2022 $'000
Current Assets			
Cash And Cash Equivalents		4,867	4,387
Trade And Other Receivables	9	389	3,084
Other Financial Assets	10	7,264	-
Taxation Receivable		-	396
Prepayments	9	217	309
Total Current Assets		**12,737**	**8,176**
Properties Held For Sale	**12**	**97,990**	**46,355**
Non-Current Assets			
Investment Properties	11	118,556	170,016
Prepayments	9	199	146
Total Non-Current Assets		**118,755**	**170,162**
Total Assets		**229,482**	**224,693**
Current Liabilities			
Trade Payables, Accruals And Provisions	14	5,082	8,720
Deposits Received	12	6,500	-
Other Current Liabilities		26	305
Total Current Liabilities		**11,608**	**9,025**
Non-Current Liabilities			
Borrowings	13	71,369	55,700
Deferred Taxation	7	-	414
Total Non-Current Liabilities		**71,369**	**56,114**
Total Liabilities		**82,977**	**65,139**
Net Assets		**146,505**	**159,554**
Share Capital		**192,726**	**192,726**
Accumulated Losses		**(46,221)**	**(33,172)**
Shareholders' Equity		**146,505**	**159,554**

The Board of Directors of Asset Plus Limited approved the consolidated financial statements for issue on 29 May 2023.

Bruce Cotterill
Chairman

Carol Campbell
Chair Audit and Risk Committee

The notes set out on pages 31 to 49 form part of, and should be read in conjunction with, the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2023

	2023 $'000	2022 $'000
Cash Flows From Operating Activities Cash Was Provided From/(Applied To):		
Gross Rental Revenue	8,491	11,694
Other Income	19	4
Operating Expenses	(4,429)	(6,158)
Interest Income	238	13
Interest Expense	(1,958)	(1,485)
Taxation Paid	440	(1,589)
Lease Incentives & Commissions Paid	(52)	(201)
Net Cash Inflow From Operating Activities	**2,749**	**2,278**
Cash Flows From Investing Activities Cash Was Provided From/(Applied To):		
Sale Of Investment Property	44,528	-
Deposit Received From Investment Property Held For Sale	6,500	-
Capital Expenditure On Investment Properties	(58,224)	(40,359)
Funds Held In Retention	(2,264)	-
Capitalised Finance Costs On Investments	(3,213)	(1,197)
Tenant Deposits Received/Repaid	(53)	(5)
Net Cash Outflow From Investing Activities	**(12,726)**	**(41,561)**
Cash Flows From Financing Activities Cash Was Provided From/(Applied To):		
Repayment Of Borrowings	(40,000)	-
Proceeds From Borrowings	55,669	46,300
Loan Refinance Costs	(212)	-
Transfer To Lockbox	(5,000)	-
Distributions Made To Shareholders	-	(5,739)
Net Cash Inflow From Financing Activities	**10,457**	**40,561**
Net Increase In Cash And Cash Equivalents	480	1,278
Cash And Cash Equivalents At The Beginning Of The Year	4,387	3,109
Cash And Cash Equivalents At The End Of The Year	**4,867**	**4,387**

The notes set out on pages 31 to 49 form part of, and should be read in conjunction with, the consolidated financial statements.

Reconciliation of Net Profit to Net Cash Flow from Operating Activities

For the year ended 31 March 2023

	2023 $'000	2022 $'000
Net Profit (Loss) After Taxation	**(13,049)**	**2,931**
Items Classified As Investing Or Financing Activities:		
Unrealised (Gain)/Loss In Fair Value Of Investment Properties	12,687	1,217
Loss/(Gain) On Disposal Of Investment Property	347	(212)
Movement In Deferred Taxation	(414)	(210)
Amortisation Of Loan Establishment Costs	68	66
Movements In Working Capital Items:		
Accounts Receivable And Prepayments	2,046	(701)
COVID-19 Rent Relief	28	190
Amortisation Of Lease Costs And Incentives	81	169
Leasing Fees Paid And Leasing Fees Granted	(30)	(96)
Trade And Other Payables	552	(231)
Taxation Payable	433	(845)
Net Cash Inflow From Operating Activities	**2,749**	**2,278**

The notes set out on pages 31 to 49 form part of, and should be read in conjunction with, the consolidated financial statements.

1. Corporate Information

The consolidated financial statements comprise of Asset Plus Limited (the "Company") and its subsidiary (collectively the "Group").

The Company is a limited liability company incorporated and domiciled in New Zealand whose shares are listed on the New Zealand Stock Exchange. The Company is a FMC reporting entity under the Financial Markets Conduct Act 2013. The registered office is located in Level 2, Bayley's House, 30 Gaunt Street, Wynyard Quarter, Auckland.

The nature of the operations and principal activities of the Group are investing in commercial property in New Zealand.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"), the Companies Act 1993, the requirements set out in section 7 of the Financial Markets Conduct Act 2013 and the Main Board Listing Rules of the NZX. The consolidated financial statements have been prepared on a historical cost basis, except for investment properties which have been measured at fair value.

The consolidated financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($'000), except where otherwise indicated.

(b) Statement of Compliance

The consolidated financial statements comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards (IFRS), as appropriate for a profit-oriented entity that falls into the Tier 1 for profit category as determined by the New Zealand Accounting Standards Board.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except where new accounting standards which have been issued and are effective for the current reporting period, or which are issued but not yet effective and may be early adopted, have been adopted for the first time. No accounting standards have been early adopted.

Accounting standards that are issued but not yet effective

Several amendments and interpretations apply for the first time from 1 April 2023, but are not expected to have a material impact on the consolidated financial statements of the Group.

(c) Basis of Consolidation

The consolidated financial statements incorporate the assets, liabilities and equity at the end of the annual reporting period and revenue, expenses and cash flows during the year ended 31 March 2023, and it's comparative period, of the entities controlled by the Company. A controlled entity is any entity over which Asset Plus Limited has the power to direct relevant activities, exposure or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of investor return. The existence and effect of potential voting rights that are currently exercisable or convertible are considered, if those rights are substantive, when assessing whether a Company controls another entity.

In preparing these consolidated financial statements, subsidiaries are consolidated from the date the Group gains control until the date on which control ceases.

The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends have been eliminated in full.

The table below represents the Company's investment in its subsidiary at each reporting date:

	Percentage Held	
	31 March 2023	31 March 2022
Asset Plus Investments Limited	100%	100%

(d) Goods and Services Tax (GST)

Revenue and expenses are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the item as applicable.

All items in the consolidated statement of financial position are stated net of GST, with the exception of receivables and payables, which include GST invoiced. Cash flows are included in the consolidated statement of cash flows on a net basis and the GST component of cash flows arising from investing and financing activities is classified as part of operating activities.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

3. Significant Accounting Estimates and Judgements

The preparation of the consolidated financial statements in conformity with NZ IFRS requires Directors to make judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to the Group.

The estimates and underlying assumptions are reviewed on an ongoing basis. Although the Group has internal control systems in place to ensure that estimates can be reliably measured, actual results may differ from these estimates. 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.

Fair value measurements

A number of the Group's accounting policies and disclosures require measurement at fair value. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique adopted as follows:

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

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

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

Key Judgements

The areas involving a high degree of judgement or areas where assumptions are significant to the Group include the following:

- Determination of Fair Value of Investment Property (Note 11)
- Classification of Investment Property Held for Sale (Note 12)
- Deferred Taxation (Note 7)

Going Concern

The consolidated financial statements have been prepared under the going concern assumption, which assumes the Group will be able to pay its debts as they fall due in the normal course of business. As part of management's assessment of the Group's ability to continue as a going concern, the following uncertainties relating to events or conditions have been taken into account:

At 31 March 2023, the current assets of the Group exceeded its current liabilities by $1,129,000 (2022: current liabilities exceeded current assets by $849,000).

The Board has considered all information available at the date of signing the consolidated financial statements (refer to subsequent event Note 22) and is of the opinion that the Group is a going concern based on:

- Debt facility maturity was extended to 31 March 2025 during the year;
- The Munroe Lane development is expected to complete by mid-calendar year 2023, providing rental income and cash inflows commencing during the year ending 31 March 2024;
- Available liquidity levels, undrawn and available debt on the loan facilities and forecast cashflows for at least 12 months, from the date the consolidated financial statements were signed, being sufficient to cover future obligations when they fall due; and
- Forecast cashflows have taken into consideration tenant known circumstances, costs to be incurred in respect to developments, expected future expenses and provisions to fund any anticipated cash requirements in the current environment.

4. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise bank loans, cash, trade receivables and payables. Financial assets and liabilities are recognised on the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, liquidity risk and fair value risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group has exposure to interest rate risk to the extent that it borrows for fixed terms at floating interest rates. The Directors assess this risk on an ongoing basis and if deemed significant, will instruct the Group to enter into interest rate swaps to manage material exposure. The Group's exposure to interest rate risk and the effective weighted interest rates for each class of financial asset and financial liability, based off the contractual maturity dates, were:

As At 31 March 2023	Note	Effective Interest Rate Range	Less Than 1 Year $'000	1 - 2 Years $'000	2 Years + $'000
Financial Assets					
Cash And Cash Equivalents		0.00% - 5.04%	4,867	-	-
Trade Receivables And Other Receivables	9		389	-	-
Other Financial Assets	10	2.93% - 4.94%	7,264	-	-
Total Financial Assets			**12,520**	**-**	**-**
Financial Liabilities					
Trade Payables And Other Payables	14		(2,029)	-	-
Deposits Received			(6,500)	-	-
Borrowings	13	3.41% - 7.43%	-	(71,369)	-
Total Financial Liabilities			**(8,529)**	**(71,369)**	**-**
As At 31 March 2022					
Financial Assets					
Cash And Cash Equivalents		0.00% - 1.00%	4,387	-	-
Trade Receivables And Other Receivables	9		3,084	-	-
Total Financial Assets			**7,471**	**-**	**-**
Financial Liabilities					
Trade Payables And Other Payables	14		(2,610)	-	-
Borrowings	13	2.16% - 3.41%	-	(55,700)	-
Total Financial Liabilities			**(2,610)**	**(55,700)**	**-**

The Group's assets and liabilities which are subject to interest rate changes, consist of cash and cash equivalents, financial assets and secured bank loans. The following demonstrates the sensitivity to the Group profit and equity, resulting from a reasonably possible change in interest rates. This analysis assumes all other variables remain constant.

	2023 $'000	2022 $'000
1% Increase		
Cash And Cash Equivalents And Financial Assets	121	37
Borrowings	(714)	(557)
1% Decrease		
Cash And Cash Equivalents And Financial Assets	(121)	(37)
Borrowings	714	557

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

Fair value risk

A comparison between financial assets and financial liabilities fair value and carrying amounts is set out below. The net fair value is not materially different from the carrying value. The methods used for determining fair value have been disclosed in Note 15.

As At 31 March 2023	Note	Designated As Fair Value $'000	Amortised Cost $'000	Total Carrying Amount $'000	Fair Value $'000
Financial Assets					
Cash And Cash Equivalents		-	4,867	4,867	4,867
Other Financial Assets	10		7,264	7,264	7,264
Trade Receivables And Other Receivables	9	-	389	389	389
Total Financial Assets		**-**	**12,520**	**12,520**	**12,520**
Financial Liabilities					
Trade Payables And Other Payables	14	-	(2,029)	(2,029)	(2,029)
Deposits Received			(6,500)	(6,500)	(6,500)
Borrowings	13	-	(71,369)	(71,369)	(71,369)
Total Financial Liabilities		**-**	**(79,898)**	**(79,898)**	**(79,898)**
As At 31 March 2022					
Financial Assets					
Cash And Cash Equivalents		-	4,387	4,387	4,387
Trade Receivables And Other Receivables	9	-	3,084	3,084	3,084
Total Financial Assets		**-**	**7,471**	**7,471**	**7,471**
Financial Liabilities					
Trade Payables And Other Payables	14	-	(2,610)	(2,610)	(2,610)
Borrowings	13	-	(55,700)	(55,700)	(55,700)
Total Financial Liabilities		**-**	**(58,310)**	**(58,310)**	**(58,310)**

Credit risk

In the Board's opinion, the Group trades only with recognised, creditworthy third parties, whose obligations to the Group are contractually enforceable under tenancy agreements and car park licences. Financial instruments, which potentially subject the Group to credit risk, principally consist of bank balances, receivables and advances to tenants.

With respect to credit risk arising from the other financial assets of the Group, which comprise interest received on cash and cash equivalents, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Bank of New Zealand, who is the counter party in respect to these financial assets of the Group, currently holds an AA- credit rating (issued by Standard & Poor's).

Liquidity risk

Liquidity risk arises from the Group's financial liabilities and the ability to meet all its obligations to repay financial liabilities as and when they fall due. The Group actively monitors its position to ensure that sufficient funds are available to meet liabilities as they arise. Liquidity is monitored on a regular basis and reported to the Board monthly.

The table below reflects all contractually fixed pay-offs for settlement and repayments resulting from recognised financial liabilities. This table is based on all interest rate variables being held constant over the relevant period of time. It does not allow for potential future margin or base rate changes as these can not be easily identified as at balance date. All payments are undiscounted and the timing of the cash flows is based on the contractual terms of the underlying contract. Interest payable is based on the drawn debt at balance date.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

As At 31 March 2023	Balance $'000	Contractual Cash Flows $'000	On Demand $'000	< 1 Year $'000	1 - 2 Years $'000	2 - 5 Years $'000	> 5 Years $'000
Financial Liabilities							
Non-Derivative Financial Liabilities							
Trade Payables And Other Payables (Note 14)	2,029	2,029	-	2,029	-	-	-
Borrowings (Note 13)	71,369	71,369	-	-	71,369	-	-
Interest And Fees Payable To The Bank	360	8,165	-	4,200	3,965	-	-
Total	**73,758**	**81,563**	**-**	**6,228**	**75,334**	**-**	**-**
As At 31 March 2022							
Financial Liabilities							
Non-Derivative Financial Liabilities							
Trade Payables And Other Payables (Note 14)	2,610	2,610	-	2,610	-	-	-
Borrowings (Note 13)	55,700	55,700	-	-	55,700	-	-
Interest And Fees Payable To The Bank	458	4,418	-	2,943	1,475	-	-
Total	**58,768**	**62,728**	**-**	**5,553**	**57,175**	**-**	**-**

Capital Management

The Group's capital includes contributed capital and accumulated loss.

When managing capital, the Directors objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders. As the market is constantly changing, management and the Board of Directors consider capital and management initiatives. The Directors have the discretion to change (or cease) the amount of dividends to be paid to shareholders accordingly, issue new shares or sell investment property to reduce debt. Capital is also monitored through the gearing ratio.

The Group's policies in respect of capital management and allocation, including loan covenants are reviewed quarterly by the Board of Directors.

Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, 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.

Financial Instruments

Classification of financial instruments.

The Group classifies its financial assets as fair value through profit and loss ("FVTPL"), fair value through other comprehensive income ("FVTOCI") and amortised cost according to the Group's business objectives for managing the financial assets and based on the contractual cash characteristics of the financial assets. At each reporting date, the Group classifies all its financial liabilities as amortised cost or FVTPL.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

5. Net Rental Revenue

Accounting policy

Rental Revenue

Rental revenue is the Group's primary revenue stream. Net rental revenue is recognised in accordance with NZ IFRS 16 Leases. Substantially all property owned by the Group is leased to third party tenants. As the Group retains substantially all the risks and benefits of ownership of its investment properties, it accounts for leases with its tenants as operating leases and begins recognising income when the tenant has a right to use the leased asset. The total amount of contractual rent to be received from operating leases is recognised on a straight-line basis over the term of the lease; including any lease incentives which are amortised to profit and loss over the same period and reduce rental income recognised.

Net rental revenue is measured based on the consideration specified in the relevant rental agreement. The lease term varies between properties and individual tenants within those properties.

	2023 $'000	2022 $'000
Rental Charged To Tenants In The Ordinary Course Of Business	4,870	10,139
Operating Cost Recoveries From Tenants And Customers	1,456	2,386
Capitalised Lease Incentive Adjustments	(30)	(274)
COVID-19 Rental Adjustments	60	(324)
Total Gross Operating Revenue	**6,356**	**11,927**
Other Revenue	21	5
Gross Rental Revenue	**6,377**	**11,932**
Property Operating Costs [1]	**(2,911)**	**(4,203)**
Net Rental Revenue	**3,466**	**7,729**

[1] *Property operating costs represent property maintenance and operating expenses*

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows:

	2023 $'000	2022 $'000
Within One Year	6,574	2,578
After One Year But Not More Than Five Years	23,947	6,228
More Than Five Years	59,045	605

The above rental receivables are based on contracted amounts as at 31 March 2023 and 31 March 2022. Actual rental amounts collected in future will differ due to upward rental review provisions within the lease agreements. There are multiple leases and tenants. The rent review mechanisms and frequency vary for each lease. Each lease has renewal dates whereby the lessee has the right to renew for an agreed term. The minimum lease payments receivable reflect the minimum lease terms and do not include any options for renewal due to the uncertainty as to whether the options will be exercised. The figures above also exclude the recovery of rates and insurance disclosed under lease income in accordance with NZ IFRS 16 since this is a variable lease payment that does not depend on an index or rate.

On 1 May 2023 Stoddard Road was sold. Future minimum rentals receivable under non-cancellable operating leases after 31 March 2023 are as follows:

	Post 31 March 2023 $'000
Within One Year	4,176
After One Year But Not More Than Five Years	19,344
More Than Five Years	58,222

6. Administration Expenses and Net Finance Costs

Accounting policy

Interest Revenue

Interest revenue consists of interest accrued on cash deposits and is recognised using the effective interest method.

Interest and Finance Costs

Finance costs, including borrowing costs and interest payable on borrowings, are recognised in the consolidated statement of comprehensive income when incurred. Borrowing costs incurred that do not relate to qualifying assets are treated as an expense and are not capitalised. Prepaid loan establishment fees are recognised on the consolidated statement of financial position and capitalised (if related to a qualifying asset) or expensed over the term of the loan agreement (Note 14) on a straight line basis.

	Note	2023 $'000	2022 $'000
Administration Expenses			
Management Fees		(1,130)	(987)
Directors' Fees	Note 19	(300)	(300)
Auditor's Remuneration		(105)	(93)
Professional Fees		(230)	(173)
Other Administration Costs [1]		(174)	(158)
Total Administration Expenses		**(1,939)**	**(1,711)**
Net Finance Costs			
Interest And Finance Costs*		(2,238)	(1,562)
Interest Revenue		238	13
Total Net Finance Costs		**(2,000)**	**(1,549)**

** In addition to Interest paid on the loan the Interest and finance costs include line fees of $433,000 (2022: $970,000) and amortised loan establishment fees of 68,000 (2022: $220,000)*

Auditor's Remuneration As Follows:		
Audit Of The Annual Financial Statements	(75)	(68)
Other Assurance Services	(30)	(25)
Total Auditor's Remuneration	**(105)**	**(93)**

[1] Other administration costs include office costs, registry, New Zealand Stock Exchange fees and shareholder communications costs.

7. Income Tax

Accounting policy

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

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

Deferred tax is provided for using the liability method on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.
- In respect of the taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of any deferred income tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

The Group has applied the rebuttable presumption under NZ IAS 12 that deferred tax on investment property measured using the fair value model in NZ IAS 40 is determined on the basis that its carrying amount will be recovered through sale.

The Group holds investment properties for the purpose of capital appreciation and rental income and therefore the measurement of any related deferred tax reflects the tax consequences of recovering the carrying amount of the investment property entirely through sale. In New Zealand there is no capital gains tax, therefore the tax consequences on sale will be limited to depreciation previously claimed for tax purposes (i.e. depreciation recovered).

Major components of income tax expense for the year ended 31 March are:

	2023 $'000	2022 $'000
Current Tax		
Current Income Tax Charge	-	(373)
Prior Year Tax Adjustment	44	50
Current Tax	**44**	**(323)**
Net Deferred Income Tax		
Investment Property Building Depreciation	(204)	(212)
Recognition Of Deferred Tax Asset Due To Tax Losses	642	-
Other	(24)	2
Net Deferred Income Tax	**414**	**(210)**
Income Tax Reported In The Consolidated Statement Of Comprehensive Income	**458**	**(533)**

A reconciliation of the income tax expense applicable to net profit before income tax at 28%, to the income tax expense in the consolidated statement of comprehensive income for the year ended 31 March is as follows:

	2023 $'000	2022 $'000
Net Profit/(Loss) Before Tax	(13,507)	3,464
Income Taxation Benefit (Expense) (28%)	**3,782**	**(970)**
Adjust For Revaluations Of Investment Property	(3,553)	(333)
Adjust For Non-Deductible Expenses	-	(9)
Adjust For Capital Loss On Disposal Of Investment Property	(97)	59
Adjust For Development Loan Facility Fees	812	334
Adjustment For Deferred Tax (Depreciation On Buildings)	(204)	(212)
Deferred Tax Assets Not Recognised	(1,088)	-
Adjustment For Depreciation (Claimed In Financial Year)	554	570
Prior Period Adjustment	44	50
Other	208	(22)
Income Tax Reported In The Consolidated Statement Of Comprehensive Income	**458**	**(533)**

Deferred Income Tax	2023 $'000	2022 $'000
Net Deferred Income Tax Liability Relates To The Following:		
Deferred Income Tax Assets:		
Accumulated Tax Losses	642	-
Deferred Income Tax Liabilities:		
Recoverable Depreciation On Investment Properties	(629)	(425)
Other	(13)	11
Net Deferred Income Tax Liabilities	**(642)**	**(414)**
Deferred Taxation	**-**	**(414)**

For the year-ended 31 March 2023, Asset Plus Limited is in a tax loss position. It is not considered probable that Asset Plus Limited will utilise these tax losses in the near-term. As such, a deferred tax asset has only been recognised to the extent of the deferred tax liability balance as at 31 March 2023, resulting in a net nil deferred tax balance sheet position, in accordance with NZ IAS 12 Income Taxes.

8. Segment Reporting

The principal business activity of the Group is to invest in New Zealand properties. Investment properties have similar economic characteristics, methods of management and are under leases of various terms. Segment reporting is presented in a consistent manner with internal reporting provided to the chief operating decision maker, the Board. The Board receives internal financial information on a property by property basis, assesses property performance and decides on the resource allocation. The Group operates only in New Zealand. On this basis all of the Group's properties have been aggregated into a single reporting segment to most appropriately reflect the nature and financial effects of the business activities. The Group has no unallocated revenue, expenses, assets or liabilities and this approach has been applied to comparative periods.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

9. Trade and Other Receivables

Accounting policy

Trade receivables, other receivables and prepayments are initially recognised at fair value plus transaction costs and subsequently carried at amortised costs using the effective interest rate method less an allowance for any impairment losses. Due to their short term nature, trade receivable, other receivables and prepayments are not discounted.

The Group makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward looking information to calculate the expected credit losses. The impairment of trade receivables is assessed on a collective basis (grouped based on the days past due), as they possess shared credit risk characteristics.

Further disclosure details on the expected credit loss model have not been included in the financial statements as the amounts involved are considered by the Directors of the Group to be immaterial.

	2023 $'000	2022 $'000
Trade Receivables	27	549
GST Receivable	229	773
Expected Credit Losses	-	(73)
Total Trade Receivables	**256**	**1,249**
Colliers Property Trust Account (Eastgate)	-	1,323
Other Receivables	133	512
Total Other Receivables	**133**	**1,835**
Total Trade And Other Receivables	**389**	**3,084**

Trade receivables are non-interest bearing and are on < 30 day terms.

	2023 $'000	2022 $'000
Loan Establishment Fees (Unamortised)	399	439
Other Prepayments	17	16
Prepayments	**416**	**455**
Current Prepayments	217	309
Non -Current Prepayments	199	146
Prepayments	**416**	**455**

Non current prepayments include $199,000 of unamortised loan establishment fees (31 March 2022: $146,000). All other prepayments are classified as current.

10. Other Financial Assets

Accounting policy

Other assets relates to restricted cash balances which are held on term deposit. This cash held on term deposit is considered restricted on the basis that the funds do not have the same level of liquidity as cash and cash equivalents on the basis that the funds are not freely able to be withdrawn at any time and is not available to be used to meet short-term commitments. Therefore the restricted cash is excluded from cash and cash equivalents and presents as other financial assets.

	2023 $'000	2022 $'000
Restricted Cash - Term Deposit Lockbox	5,000	-
Funds Held In Retention	2,264	-
Total Other Financial Assets	**7,264**	**-**

During the year, the Company refinanced its debt facilities to extend the maturity to 31 March 2025. A 'lockbox' amount of $5.0 million was placed into a term deposit as restricted cash to cover the forecast EBITDA shortfall up to a 1.5 times interest cover ratio. Funds are held in trust of $2.264 million being the Munroe Lane retention funds.

11. Investment & Development Properties

Accounting policy

Investment properties which are held exclusively to earn rentals and/or for capital appreciation are classified as investment properties at their acquisition date. These are initially recognised at cost plus related costs of acquisition. After initial recognition, investment properties are stated at fair value as determined by an independent registered valuer. Investment properties are valued annually. The fair value is based on market values, being the price that would be received to sell the property in an orderly transaction at the date of valuation after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Investment properties that are being constructed or developed for future use are classified as development properties and are measured at cost, as cost represents the fair value. Development properties are carried at fair value when fair value can be reliably determined, which is expected to be upon completion. All costs directly associated with the purchase and construction of a property and all subsequent capital expenditure is capitalised. Gains or losses arising from changes in the fair value of development properties held at fair value are included in profit or loss in the year in which they arise. Development properties are carried at fair value when fair value can be reliably determined, which is expected to be upon completion. Development properties are re-classified as Investment properties upon practical completion of the development and the property is held to be leased out under an operating lease.

In the absence of an active market, alternative valuation techniques are utilised which may include discounted cash flow projections, capitalisation of income or sales comparison approach as appropriate to the property being valued. The valuations are prepared by considering the aggregate of the estimated cash flows expected from rental income, the occupancy rates, average lease terms and capitalisation rates which reflect the current market conditions. The estimate of fair value is a judgement which has been made based on the market conditions which apply at each reporting date.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the disposal of an investment property are recognised in profit or loss in the period of derecognition.

The tables below outline the movements in the carrying values for all directly owned investment properties:

As at 31 March 2023

Investment Properties	Opening Fair Value Balance $'000	Capex $'000	Lease Amortisation & Other $'000	Gain/ (Loss) On Revaluation $'000	Transfer To Assets Held For Sale $'000	WIP [1] $'000	Closing Balance $'000
Stoddard Road	43,500	48	(28)	-	(43,520)	-	-
Graham Street	59,000	-	-	-	(59,000)	-	-
Development Properties							
Munroe Lane	7,761	-	-	(7,000)	-	117,795	118,556
Total Investment & Development Properties	**110,261**	**48**	**(28)**	**(7,000)**	**(102,520)**	**117,795**	**118,556**

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For the year ended 31 March 2023

As at 31 March 2022

Investment Properties	Opening Fair Value Balance $'000	WIP Reclassified $'000	Capex $'000	Lease Amortisation & Other $'000	Gain/ (Loss) On Revaluation $'000	Transfer To Assets Held For Sale $'000	Carrying Value At Balance Date $'000	WIP [1] $'000	Revaluation Of WIP $'000	Closing Balance $'000
Stoddard Road	41,500	-	97	7	1,896	-	43,500	-	-	43,500
Graham Street	59,500	1,508	1,344	-	(3,352)	-	59,000	-	-	59,000
Development Properties										
Munroe Lane	7,761	-	-	-	-	-	7,761	59,755	-	67,516
Kamo**	2,600	107	62	-	131	(2,900)	-	-	-	-
Total Investment & Development Properties	**111,361**	**1,615**	**1,503**	**7**	**(1,325)**	**(2,900)**	**110,261**	**59,755**	**-**	**170,016**

[1] WIP (work in progress) relates to costs incurred in relation to future development work which were not included in the inputs to the valuation calculation by the independent valuers. These costs include design, consents and other direct costs capitalised as development costs.

The independent valuation is adjusted for the carrying value of capitalised lease incentives and capitalised leasing fees as in determining the carrying amount of investment property under the fair value model, an entity does not double count assets or liabilities that are recognised as separate assets or liabilities.

On 12 April 2022 a sale and purchase agreement was entered into for the sale of 35 Graham Street and transferred to held for sale. 35 Graham Street did not meet the criteria to be held for sale as at 31 March 2022. In the prior year the 35 Graham St fair value has been determined based on the forecast future discounted cash flows of the sale up to the settlement date of 1 December 2023 including the initial deposit received. A discount rate of 5.5% has been used as at 31 March 2022.

Munroe Lane is measured at fair value as at 31 March 2023 and is determined by the independent valuation using the capitalisation and discounted cashflow approach. The independent valuation was conducted by an independent registered valuer, listed below, who is a member of the Institute of Valuers of New Zealand. The valuer is experienced in valuing commercial properties. The fair value is measured off the as if complete valuation, which is based on the committed occupancy being the Auckland Council lease, less forecast costs to complete. Munroe Lane was measured at fair value at 31 March 2023 as it can be reliably measured as the development is expected to be complete in the following months after balance date. Munroe Lane was measured at cost as at 31 March 2022.

On 18 February 2023, an active marketing campaign commenced for the sale of the Stoddard Road Property. Stoddard Road was transferred to Held for Sale on this date. Stoddard Road did not meet the criteria to be held for sale at 31 March 2022.

In the prior year, Stoddard Road was fair valued based on independent valuation, completed by a registered valuer, who is a member of the Institute of Valuers of New Zealand. The valuer is experienced in valuing commercial properties.

Kamo was transferred to held for sale in the prior year.

As At 31 March 2023	Valuer	Capitalisation Rate %	Occupancy Rate %	WALT Years	Valuation $'000
Munroe Lane 6-8 Munroe Lane, Auckland*	Jones Lang LaSalle	6.00	63.00	10.0	126,000
Adjust For Costs To Complete At Balance Date					(7,444)
Fair Value					**118,556**

As At 31 March 2022	Valuer	Capitalisation Rate %	Occupancy Rate %	WALT Years	Valuation $'000
Stoddard Road 22 Stoddard Road, Auckland	Jones Lang LaSalle	5.88	100.00	3.50	43,500
Kamo 34 Springs Flat Road, Kamo, Whangarei	Jones Lang LaSalle	N/A	N/A	N/A	2,900
					46,400

**This is based on the as if completed committed occupancy of Munroe Lane.*

The valuation techniques and significant unobservable inputs are as follows:

Valuation Technique	Valuation Summary	2023	2022	Sensitivity Of Fair Value To Changes In The Estimated Fair Value Would Increase/(Decrease):
Capitalisation Of Net Income	Market Capitalisation rate (%)	6.00%	5.25%	Capitalisation rate was lower (higher).
	Market rental ($ per sqm)**	$479	$307	Retail and office rental income per square meter was higher (lower).
Discounted Cash Flow	Discount rate (%)	7.13%	6.75%	The discount rate was lower (higher).
	Rental growth rate (% per annum) over 10 years	2.20%	2.20%	Rental growth was higher (lower).
	Occupancy rate (%)	65.00%	100.00%	The occupancy rate was higher (lower).
	Letting up period (months)***	6 months	6 months	Letting up period was lower (higher).
Sales Income Approach	Price per square meter rate ($ per sqm)	$7,905	$75.00	Rate per square metre was higher (lower).

In 2023 this only represents the Munroe Lane As-if completed occupancy valuation. In 2022 the metrics only represent Stoddard Road.

***The represents the valuers' assessment of the net market income which a property is expected to achieve under a new arm's length leasing transaction.*

****Represents the period of time that has been allowed to re-let a tenancy at the end of each existing lease of the properties.*

Investment property values are assessed within a range indicated by at least two valuation approaches, other than undeveloped land. Most commonly the capitalisation of net income approach and the discounted cash flow approach are used to value income producing properties. The sales comparison approach is used to appraise both developed and undeveloped plots of land.

Estimates are used in these valuations. These include the capitalisation rate in the income capitalisation approach, the discount rate in the discounted cash flow approach and rate per square meter in the sales comparison approach. The approaches are also influenced by other estimates relating to market rental levels, vacancy rates, letting-up allowances and the cost of ongoing operating expenses, capital expenditure, other capital payments, time, location, quality and overall condition.

Among other factors, all valuation approaches consider the quality of the building and its location, tenant quality, lease terms and any lease incentive costs such as rent-free periods and other costs not paid by the tenant.

Valuation Sensitivity

This sensitivity analysis outlines how movements in the discount rate and capitalisation rate impact to the fair value of the investment properties that use the Discounted Cash Flow and Capitalisation valuation approaches. The discount rate is used in the discounted cash flow approach and the capitalisation rate is used in the capitalisation approach.

Munroe Lane	-100bps	-50bps	Value	+50bps	+100bps
Capitalisation Rate	5.06%	5.56%	**6.06%**	6.56%	7.06%
Adopted Value*	143,440	129,880	**118,556**	108,957	100,718

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12. Properties Held for Sale

Accounting policy

Investment property is transferred to investment property held for sale when it is expected that the carrying amount will be recovered principally through sale rather than from continuing use. The property is held at the realisable value, being the lower of carrying value or fair value less cost to sell. These properties are held for immediate sale in their present condition.

Investment properties which meet the requirements of assets held for sale will be reclassified on the date these requirements are met. These properties will continue to be measured under the fair value model with any gains or losses being recognised in profit or loss in accordance with NZ IAS 40 Investment Properties. Revenue on the sale of properties held for sale is recognised when the risks and rewards have transferred to the buyer. The carrying value represents the sale price in respect to the property.

The table below outlines the movements in the carrying values for all properties held for sale during the year:

As at 31 March 2023

Property	Opening Balance $'000	Transfer From Investment Properties $'000	Capex $'000	Gain/(Loss) On Revaluation $'000	Disposal $'000	Closing Balance $'000
Eastgate Shopping Centre	43,455	-	-	(94)	(43,361)	-
Stoddard Road	-	43,520	-	(7,190)	-	36,330
35 Graham Street	-	59,000	1,158	1,502	-	61,660
Kamo	2,900	-	-	(253)	(2,647)	-
Total	**46,355**	**102,520**	**1,158**	**(6,035)**	**(46,008)**	**97,990**

The Eastgate Shopping Centre and was settled on 29 August 2022 for $43.45 million. The sale of Kamo was settled on 30 November 2022 for $2.7 million.

35 Graham Street is measured at the lower of carrying value or fair value. Fair value has been determined based on the forecast future discounted cash flows of the sale up to the settlement on 1 December 2023 including the initial deposit of $6.5 million received. A discount rate of 8.5% has been used as at 31 March 2023 which reflects the assumed weighted average cost of capital. Historical WIP in respect to 35 Graham Street has been reclassified as capital expenditure to determine the carrying value, prior to the revaluation. The increase in the fair value is due to the impact of the discount unwind.

Stoddard Road is measured at fair value less costs to sell and was transferred to held for sale during the year. The fair value is based on the conditional sale and purchase agreement.

As at 31 March 2022

Property	Opening Balance $'000	Transfer From Investment Properties $'000	Capex $'000	Lease Amortisation & Other $'000	Gain/(Loss) On Revaluation $'000	Disposal $'000	Closing Balance $'000
Eastgate Shopping Centre	42,560	-	882	(96)	109	-	43,455
Kamo	-	2,900	-	-	-	-	2,900
Total	**42,560**	**2,900**	**882**	**(96)**	**109**	**-**	**46,355**

Eastgate Shopping Centre was transferred from Investment Properties to Held for Sale during the year ended 31 March 2022 and was subsequently sold on 29 August 2022.

An active marketing campaign to sell Kamo commenced 16 March 2022 hence it was classified as held for sale as at 31 March 2022.

These properties were initially classified as investment properties and were subsequently reclassified to properties held for sale.

Valuation sensitivity

35 Graham Street - 1 December 2023 Settlement	-100bps	-50bps	Value	+50bps	+100bps
Discount Rate (%)	7.50%	8.00%	**8.50%**	9.00%	9.50%
Adopted Value	62,001	61,829	**61,660**	61,489	61,321

35 Graham Street - 1 December 2024 Settlement	-100bps	-50bps	Value	+50bps	+100bps
Discount Rate (%)	7.50%	8.00%	**8.50%**	9.00%	9.50%
Adopted Value	61,332	60,946	**60,564**	60,187	59,814

This sensitivity analysis outlines how movements in the discount rate and settlement date impact the fair value of the investment properties held for sale.

13. Borrowings

Accounting policy

Borrowings are classified as financial liabilities at amortised cost. They are initially recognised at fair value of the consideration less directly attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

Borrowing costs are recognised as an expense when incurred, unless they relate to a qualifying asset and are capitalised when incurred. Borrowing costs capitalised on qualifying assets during the year were $2.90m (2022: $1.69m)

Facility	Bank	Loan Maturity	2023 $'000	2022 $'000
Working Capital Facility	BNZ	31/3/25	14,100	4,500
Investment Facility	BNZ	31/3/25	4,700	51,200
Development Facility*	BNZ	31/3/25	52,569	-
Total			**71,369**	**55,700**

** The development facility expires the earlier of 30 September 2023 and the Conversion Date, being the date the loan converts to an Investment Facility. In the loan agreement the conversion date is defined as the date that the Agent (acting on the instructions of the Majority Lenders) determines that Practical Completion has occurred.*

Financing facilities available

At reporting date, the following financial facilities had been negotiated and were available:

	2023 $'000	2022 $'000
Facilities Drawn At Reporting Date - Secured Bank Loan (BNZ)	71,369	55,700
Facilities Undrawn At Reporting Date - Secured Bank Loan (BNZ)	13,631	74,300
Total	**85,000**	**130,000**

Loan security

The loan is secured by a registered first mortgage over the investment properties of the Group, an assignment of leases over all present and directly acquired properties mortgaged to the BNZ Bank and a first general security interest over the assets of the Group. The facility limit reduced from $130 million to $85 million during the year due to the repayment of debt from funds received from the sale of Eastgate. The current facility matures in March 2025 (previously September 2023). Post balance date on 1 May 2023 $36.35 million of debt was repaid. The facility limit reduced from $85 million to $52 million.

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14. Trade Payables, Accruals and Provisions

Accounting policy

Trade and other payables

Trade payables are classified as financial liabilities and are initially measured at fair value less any transaction costs and subsequently carried at amortised cost and due to their short term nature, are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect to the purchase of these goods and services.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that the outflow can be reliably measured.

	2023 $'000	2022 $'000
Trade Payables	73	134
GST Payable	-	-
Other Payables	1,956	2,476
Total Trade And Other Payables	**2,029**	**2,610**
Interest Accrual	360	20
Opex Accruals	533	899
Capex Accruals	2,150	5,094
Total Accruals	**3,043**	**6,013**
Provisions For COVID-19 Support	10	97
Total Provisions	**10**	**97**
Total Trade Payables, Accruals And Provisions	**5,082**	**8,720**

Trade payables are non-interest bearing and are normally settled on 30 day terms. Interest payable is settled quarterly throughout the financial year. Other payables are non-interest bearing and have an average term of 6 months.

15. Fair Value Measurement

Accounting policy

Financial assets/liabilities classified as fair value through profit and loss ("FVTPL") are initially recognised at their fair value and are subsequently measured at fair value at each reporting date. Gains and losses recorded on each revaluation date are recognised within profit or loss. Transaction costs of financial assets classified as FVTPL are expensed in the consolidated statement of comprehensive income.

The table below sets out the comparison by category of carrying amounts, fair values, and fair value movement hierarchy of the Group's investment properties and borrowings:

		Year Ended 31 March 2023			Year Ended 31 March 2022		
		Quoted Market Price (Level 1)	**Market Observable** Outputs (Level 2)	**Non Market** Outputs (Level 3)	**Quoted Market** Price (Level 1)	**Market Observable** Outputs (Level 2)	**Non Market** Outputs (Level 3)
Investment Properties	Note 11	-	-	118,556	-	-	170,016
Properties Held For Sale	Note 12	-	-	97,990	-	-	46,355
Borrowings	Note 13	-	(71,369)	-	-	(55,700)	-

The quoted market price (Level 1) represents the fair value determined based on quoted prices in active markets as at the reporting date. For financial instruments not quoted in active markets (Level 2) the Group uses present value techniques, with a comparison to similar instruments for which market observable prices exist and other relevant models used by market participants, which includes current swap rates on offer and also the current floating interest rate (interest rate swaps). For properties held for sale and investment properties (Level 3), the Group uses present value techniques based on forecasted future earnings.

There are no transfers between Level 1, 2 or 3 during the financial year ended 31 March 2023 (2022: None).

The Group has also assessed possible impairment for 12-month expected loss or life-time expected loss on trade and other receivables and notes that the outcome of this is nil (2022: $73,000).

16. Equity

Accounting policy

Equity instruments issued by the Group are recorded as the proceeds are received, net of direct issue costs.

Issued capital and reserves

	2023	2022
Ordinary Shares		
Number Of Issued And Fully Paid Shares	362,718	362,718

Ordinary shares have no par value. Fully paid and ordinary shares carry one vote per share, and share equally in dividends and any surplus on winding up.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2023

17. Earnings Per Share

Accounting policy

Earnings per share is calculated by dividing the profit/(loss) attributable to shareholders (excluding distributions) of the Group by the weighted average number of ordinary shares on issue during the period.

	2023 $'000	2022 $'000
Total Comprehensive Income (Loss) For The Year, Net Of Tax	(13,049)	2,931
Weighted Average Number Of Ordinary Shares ('000)	362,718	362,718
Earnings (Loss) Per Share (Cents) - Basic And Fully Diluted	**(3.60)**	**0.81**

18. Dividends Paid to Shareholders

Dividends paid during each reporting period comprised:

	CPS	2023 $'000	Date Paid	CPS	2022 $'000	Date Paid
Q4 Prior Year Net Dividend	-	-	N/A	0.450	1,641	11/06/21
Q1 Net Dividend	-	-	N/A	0.450	1,638	13/09/21
Q2 Net Dividend	-	-	N/A	0.450	1,638	14/12/21
Q3 Net Dividend	-	-	N/A	0.225	821	25/03/22
Total Paid During The Year	**-**	**-**		**1.575**	**5,738**	

	2023 $'000	2022 $'000
Imputation Credit Account		
At 31 March The Imputation Credits Available For Use In Subsequent Reporting Periods Are	100	131

19. Remuneration

Key Management Personnel Costs	2023 $'000	2022 $'000
Directors' Remuneration	300	300
Total	**300**	**300**

20. Related Parties

Centuria Funds Management (NZ) Limited owns the management contract rights of the Group. The parent of Centuria Funds Management (NZ) Limited, Centuria Capital (NZ) No.1 Limited, owns 19.99% of Asset Plus Limited (2022: 19.99%). Transactions with Centuria Funds Management (NZ) Limited are deemed to be related parties because the Company is managed by Centuria Funds Management (NZ) Limited under the terms of the signed management contract.

	2023		2022	
Fees Paid And Owing To The Manager ($'000)	**Fees Charged**	**Fees Owed**	**Fees Charged**	**Fees Owed**
Management Fees	1,130	278	987	523
Lease Renewal Fees	38	-	144	-
Property Management Fees	51	30	154	42
Development Management Fees	1,945	213	1,300	169
Total	**3,164**	**521**	**2,585**	**734**

Consolidated Statement Of Changes In Equity	2023 $'000	2022 $'000
Dividend Paid To Centuria Capital (NZ) No.1 Limited	-	1,142

21. Commitments and Contingencies

Capital commitments

At 31 March 2023 the Group has the following capital commitments:

- Capital commitments of $3,725,717 (31 March 2022: $49,506,000) in regards to the development at Munroe Lane.
- Capital commitments of $Nil (31 March 2022: $215,000) in regards to demolition works at 35 Graham Street.

Guarantees

BNZ has provided a bond to the New Zealand Stock Exchange for the sum of $75,000, being the amount required to be paid by all Issuers listed on the New Zealand Stock Exchange, and the Company has provided a General Security Agreement over its assets in favour of BNZ as security for this bond (31 March 2022: $75,000).

Contingent liabilities

At the reporting date the Group had no material contingent liabilities (2022: nil).

22. Subsequent Events

The following events occurred subsequent to year-end:

- On 1 May 2023 Stoddard Road was sold. The net sale proceeds of $36.35 million were applied as a debt repayment. The loan facility limit was also reduced from $85 million to $52 million.
- On 17 May 2023 the Auckland Council lease started at Munroe Lane.

Independent Auditor's Report

Grant Thornton

To the Shareholders of Asset Plus Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Asset Plus Limited (the "Company") and its subsidiary (together the "Group") on pages 26 to 49 which comprise the consolidated statement of financial position as at 31 March 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 March 2023 and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS") issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Group.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Grant Thornton

Why the matter is significant	How our audit addressed the key audit matter
Investment Property - Valuations The Group's investment properties and non-current assets held for sale have an assessed value of $118.6 million and $98.0 million respectively (FY 2022: $ 170.0 million and $ 46.4 million respectively) and make up a significant portion of the assets of the Group. In the application of NZ IFRS, management is required to make judgements, estimates and assumptions in determining the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates, assumptions and methodology for determining the values are specific to the nature, location and expected future rental income for each property. Where appropriate, the Group engaged independent registered valuers or used a contractual selling price to determine the value of the property. The estimates, assumptions and methods used in determining the value of the properties, may not be appropriate. Market volatility can have a significant impact on the value of these properties and the consolidated financial statements; therefore, the valuation of these properties is considered a key audit matter.	To address the risk associated with the valuation of the properties, the following audit procedures were carried out • Obtained and agreed the schedule of investment property to the respective independent valuation report, performed by valuation expert or management; • Evaluated the independence, qualifications and work of the valuation expert; • Inquired about and documented the methods and assumptions used by the expert and considered the appropriateness of those assumptions and methods used; • Confirmed that the property valuation was performed in accordance with appropriate accounting standards for use in determining the carrying value of investment property as at 31 March 2023; • Verified the accuracy of any costs capitalised against properties by selecting a sample of transactions, tracing it to supporting documentation and validating whether the transactions meets the criteria for capitalisation; • Evaluated the fair value adjustment to be recorded for the year for each investment property as at 31 March 2023; • Considered the adequacy of the disclosures made in Note 3 Significant Accounting Estimates and Judgements, Note 11 Investment and Development Properties and Note 12 Properties Held for Sale, of the consolidated financial statements, which sets out the key judgements and estimates including valuation techniques and significant unobservable inputs applied to determine fair value of the investment properties and non-current assets held for sale; and • Discussed with management changes in the investment property portfolio, including any property development, controls in place surrounding the valuation process and the impact that the market volatility has had on the investment property portfolio including occupancy risk, growth rates and other key assumptions.

Grant Thornton

Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Directors are responsible for the other information. The other information comprises the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

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

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: https://www.xrb.govt.nz/assurance-standards/auditorsresponsibilities/audit-report-1/

Restriction on use of our report

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state to the Company's shareholders, as a body those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinion we have formed.

Grant Thornton

Grant Thornton New Zealand Audit Limited

Ryan Campbell
Partner
Auckland
29 May 2023

Shareholder Statistics

Twenty Largest Shareholders

Top 20 Shareholders (with expanded NZCSD Sub-Register) as at 19 May 2023.

Rank	Investor Name	Total Shares	% Issued Capital
1	Centuria Capital (NZ) No.1 Limited	72,507,288	19.99
2	Accident Compensation Corporation	55,418,153	15.28
3	HSBC Nominees (New Zealand) Limited	30,811,269	8.49
4	Forsyth Barr Custodians Limited	11,153,701	3.08
5	FNZ Custodians Limited	10,873,146	3
6	Leveraged Equities Finance Limited	10,602,281	2.92
7	National Nominees New Zealand Limited	8,536,492	2.35
8	Tea Custodians Limited	6,628,832	1.83
9	New Zealand Depository Nominee	5,303,012	1.46
10	Forsyth Barr Custodians Limited	3,465,216	0.96
11	Investment Custodial Services Limited	3,230,686	0.89
12	Elizabeth Beatty Benjamin & Michael Murray Benjamin	3,000,000	0.83
13	Cogent Nominees Limited	2,917,483	0.8
14	Francis Ivor Charles Jasper & Victoria Jane Carpenter & Anthony Francis Segedin	2,900,000	0.8
15	New Zealand Permanent Trustees Limited	2,154,496	0.59
16	JPMORGAN Chase Bank	2,072,590	0.57
17	Janet Backhouse	1,990,723	0.55
18	Bhc Trustee 68 Limited	1,880,000	0.52
19	Forsyth Barr Custodians Limited	1,842,291	0.51
20	Hawkes Bay Sailplanes Limited	1,660,000	0.46

Spread of shareholders

The following is a spread of quoted security holders as at 19 May 2023

Range	Holders	Shares	% Issued Shares
1-1,000	95	58,703	0.02
1,001-5,000	368	1,119,223	0.31
5,001-10,000	305	2,411,552	0.66
10,001-50,000	737	18,524,434	5.11
50,001-100,000	261	19,847,465	5.47
Greater Than 100,000	274	320,756,424	88.43

Substantial Security Holders

As at 31 March 2023, the following Shareholders had filed substantial security notices in accordance with the Financial Markets Conduct Act 2013.

Shareholder	Number Of Ordinary Shares Relevant Interest Disclosed For
Centuria Capital (NZ) No.1 Ltd	72,507,288
Accident Compensation Corporation	51,896,611
Salt Funds Management Limited	36,117,463
Westpac Banking Coproration (And Related Bodies Corporate)	29,455,484
Total Ordinary Shares On Issue At 31 March 2023	**362,717,801**

This annual report is dated 29 May 2023 and is signed on behalf of the board by:

Bruce Cotterill

Chairman

Carol Campbell

Chair Audit and Risk Committee

The notes set out on pages 31 to 49 form part of, and should be read in conjunction with, the consolidated financial statements.

Directory

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Allen Bollard
Carol Campbell
Paul Duffy
John McBain

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Registrar

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ASSET PLUS+
MANAGED BY Centuria