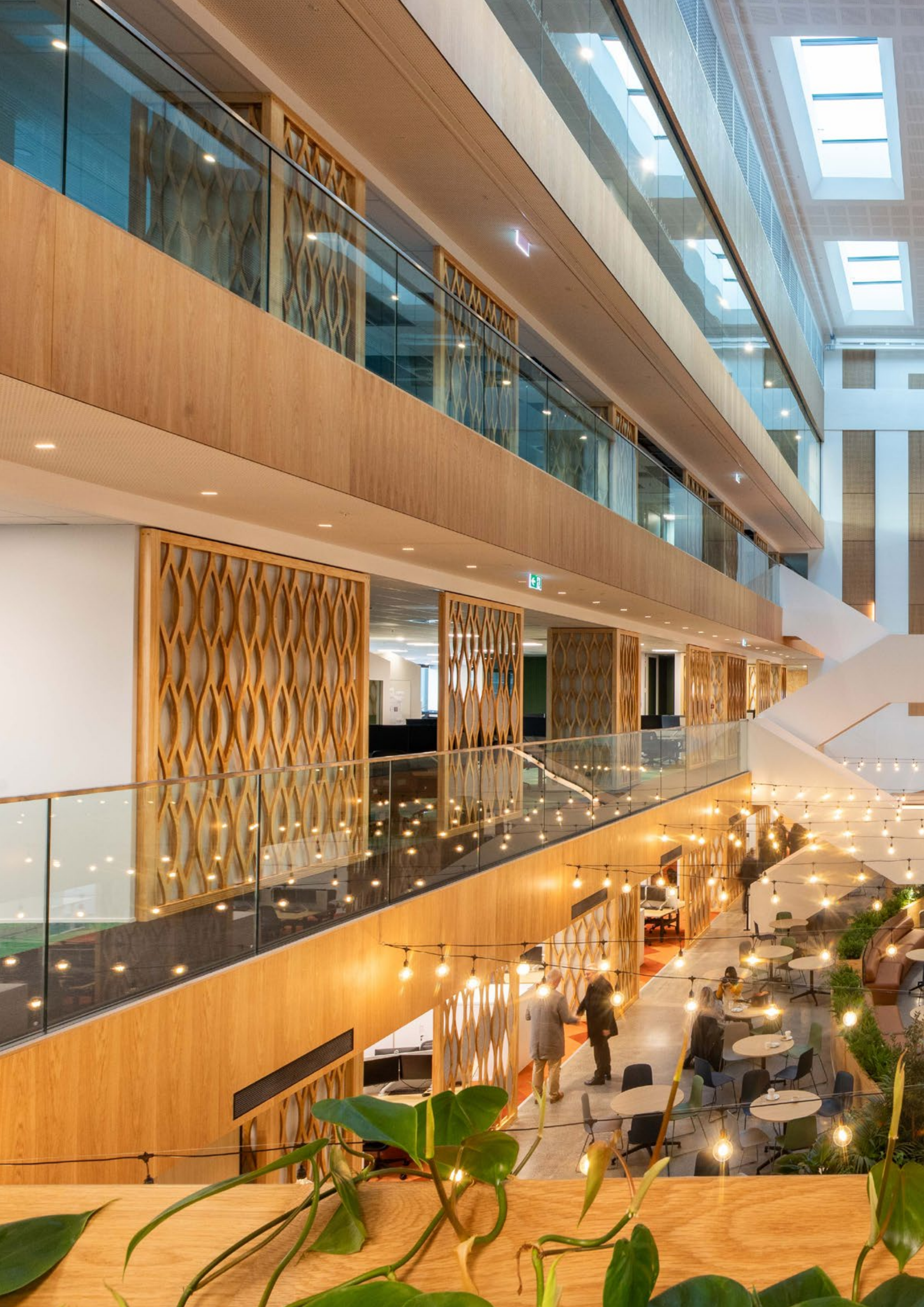
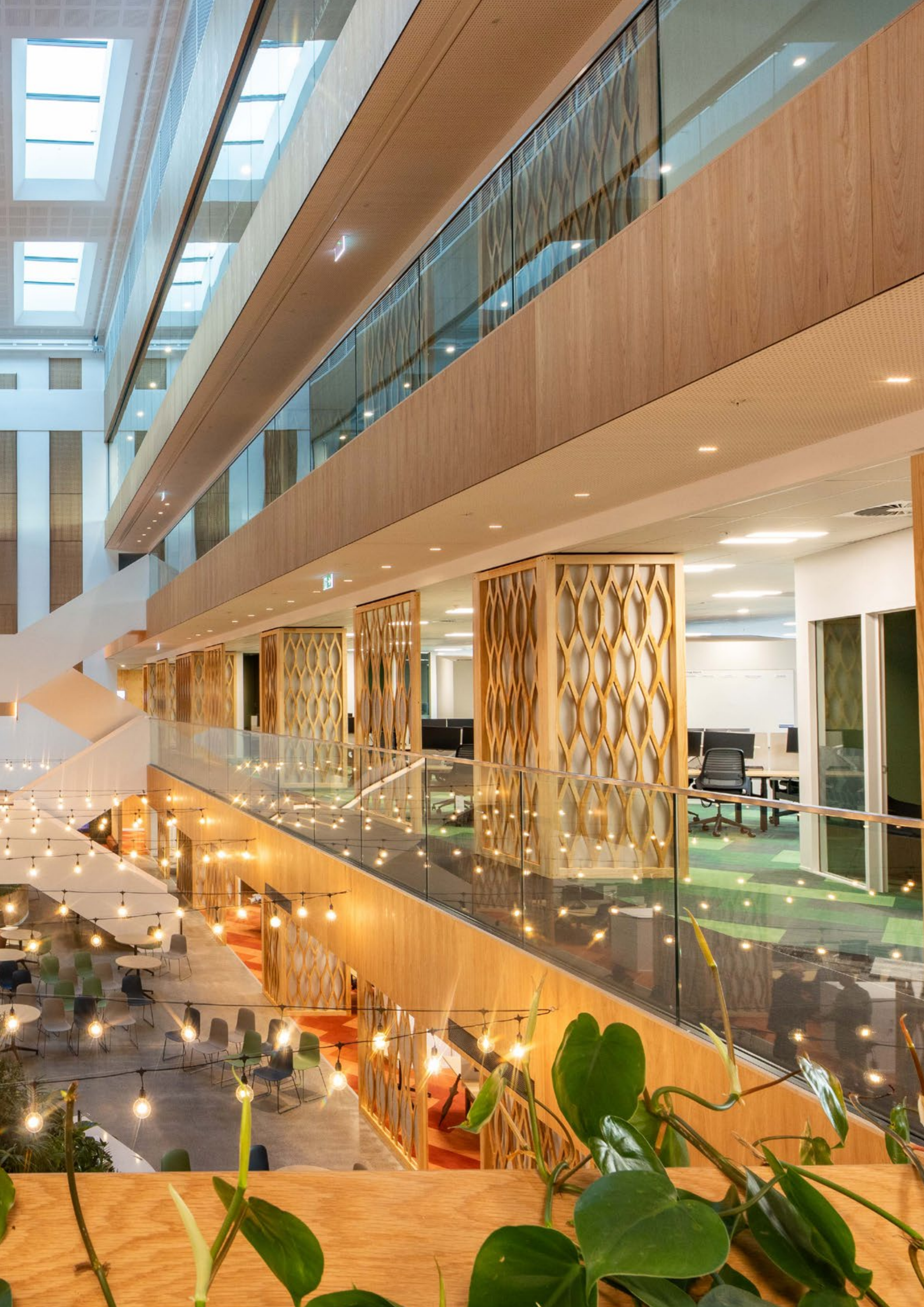
ANNUAL REPORT 2024

ASSET PLUS+

MANAGED BY Centuria





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Chairman's Letter

The challenging economic environment has continued over the past twelve months, with New Zealand officially slipping into recession through the September and December 2023 quarters. The higher interest rates targeted at inflation remain a feature in the economy at this time, making it difficult for property owners. Despite the economic backdrop we've continued to progress our key objectives, including:

- Deliver the Munroe Lane development which achieved Practical Completion in July 2023 with rental payable by Auckland Council from 17 May 2023;
- Prudently manage the balance sheet to mitigate the impacts of the high interest rate environment; and
- Successfully divest 22 Stoddard Road, Auckland which settled in May 2023.

Achieving Practical Completion on the Munroe Lane development is the culmination of a 4-year journey from project inception to conclusion. The building adds a 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 continues to prove challenging, it is pleasing to see increasing leasing enquiry since completion of the property. There remains a paucity of potential occupiers of significant scale on the North Shore, post the Covid-19 pandemic and subsequent impacts on occupier demand. However, we are confident that the fundamentals of the building will attract tenant commitment for the balance of the space, over time, however we expect that leasing will likely remain challenging in the near future.

On the back of the Auckland Council lease commencement, income was bolstered to partially offset divestments, and the ongoing vacancy at 35 Graham Street. As a result, we recorded a Adjusted Funds From Operations (AFFO*) loss of $0.67 million. This result for the full year is in line with expectations, driven by the vacancy and unrecovered OPEX on 35 Graham Street, which will continue until settlement occurs in November 2024. 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 and the future of the company is determined.

The higher than usual inflationary and interest rate environment has continued to adversely impact the fair value of assets in the period, with our valuers recording a $4.9 million reduction in the fair value of assets of the company. This was driven by the valuation for Munroe Lane reducing over the period, offset by the discount unwind at 35 Graham Street. As a result, NTA has reduced from 40.4 cps as at 31 March 2023 to 38.9 cps as at 31 March 2024.

As part of our disciplined capital management approach, and directly reflecting the cost of the company's debt, Stoddard Road was unconditionally sold for $36.75 million and settled in May 2023. All of the proceeds from that sale were utilised to repay debt. This prudent capital management approach was appropriate given the macroeconomic conditions, and accretive nature of the sale versus the company's cost of debt.

In October 2023, the purchaser of 35 Graham Street exercised their right to defer settlement of the purchase by twelve months. As a result, the purchase price increased by a further $3.0 million to $68.0 million, and the deposit increased to 20% of the total consideration. The additional $7.10 million that was received was also applied as debt repayments, reducing the LVR down to 18.2%.

During the year, upon the practical completion at Munroe Lane, the development finance facility was converted to an investment facility. We have retained sufficient facility headroom of $11.9 million to fund incentives and leasing across the vacant space at Munroe Lane. During the year the lockbox facility was also reduced from $5.0 million to $4.0 million in line with reductions in the company's facility limits and testing in accordance with facility covenants.

Looking forward, the Company's key focus remains on leasing the balance of the Munroe Lane development. Doing so will increase earnings, WALE, and the value of the portfolio and will better position the Company to consider options moving forward. Those options will include a potential divestment of Munroe Lane, subject to market conditions at the time, and obtaining shareholder approval.

Once settlement of 35 Graham Street occurs, we anticipate that the Company will ultimately be in a unique position of having zero debt and cash reserves of approximately $25 million. If a sale of Munroe Lane was to occur it will position the Company to consider its options, including a wind up of the Company, or a pivot into a new direction. As previously indicated 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 contemporaneously.

In the meantime, the Management team 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 ahead of settlement of 35 Graham Street in late November.

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

$0.67 million ($0.28 million in the prior year)

TOTAL LOSS AFTER TAX

$5.30 million ($13.05 million loss in the prior year)

LOAN-TO-VALUE RATIO

18.2%

(down from 31.5%)

WALE

5.9 years

(increased from 1.2 years)

PORTFOLIO VALUE

$180.8 million (reduced from $216.6 million)

NET TANGIBLE ASSETS

38.9 cents per share

(reduced from 40.4 cps in the prior year)

PORTFOLIO OCCUPANCY

41.0%

(increased from 37.0%)

NUMBER OF ASSETS

2 (down from 3 assets)

35 Graham Street unconditionally sold and settling 29 November 2024

Portfolio Summary

31 March 2024	Fair Value $000s	Cap rate %	Occupancy rate %	WALE Years	Net Passing Rent $000s
Investment Properties					
Munroe Lane	116,050	6.25%	65.7%	9.14	4,284
Held for Sale					
35 Graham Street*	64,743	N/A	N/A	N/A	N/A
Total	**180,793**		**41.0%**	**5.87**	**4,284**

* 35 Graham Street is currently vacant hence no metrics are reported above. Settlement is to occur on 29 November 2024.

Munroe Lane

Munroe Lane,
Albany, Auckland

Practical Completion
achieved 13 July 2023

Auckland Council lease
rental commenced on 17 May 2023

Little Fields café
opened early 2024

5 Star Green Star
design rating obtained,
built rating in progress

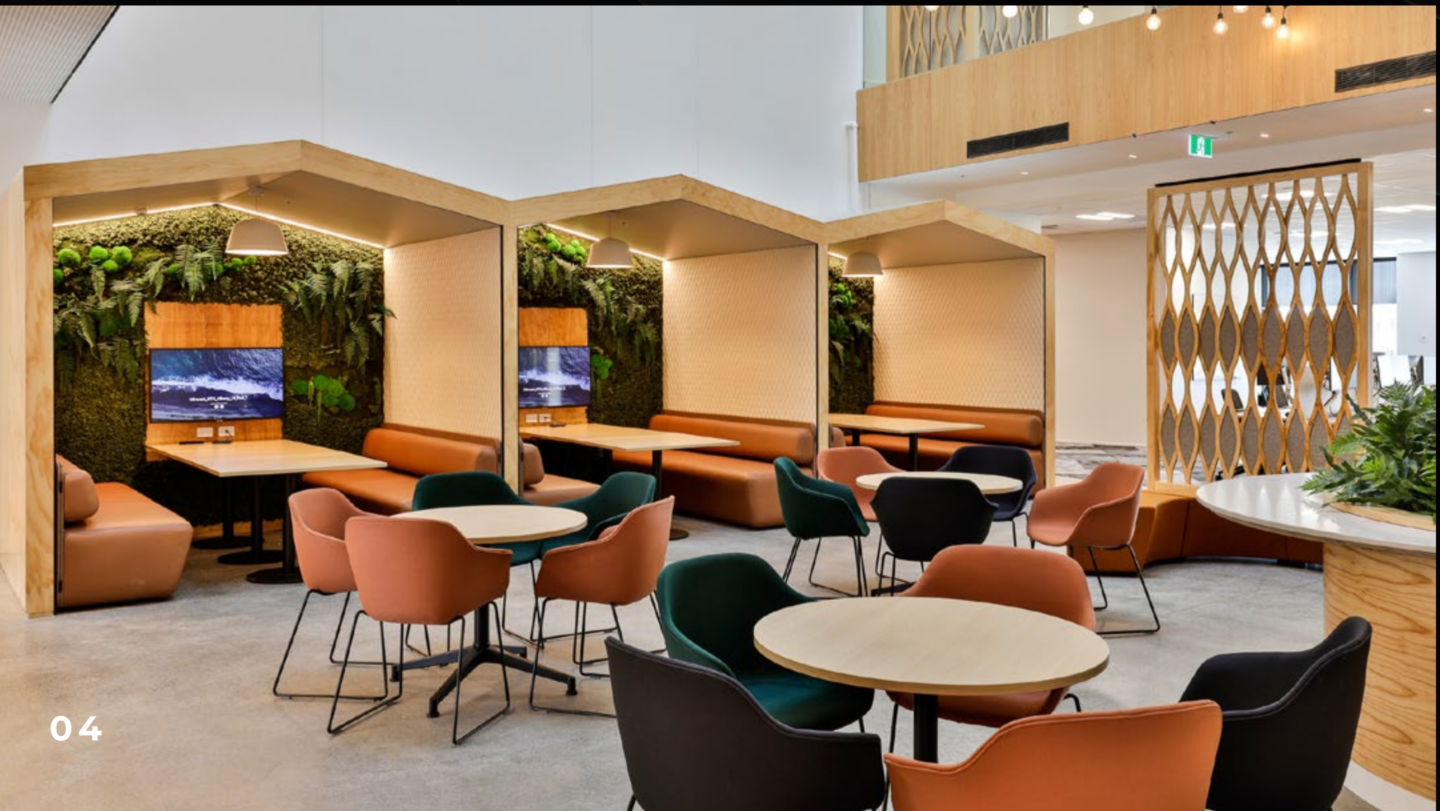
Target 5-star NABERSNZ
Energy Rating pending
12-months of operational data

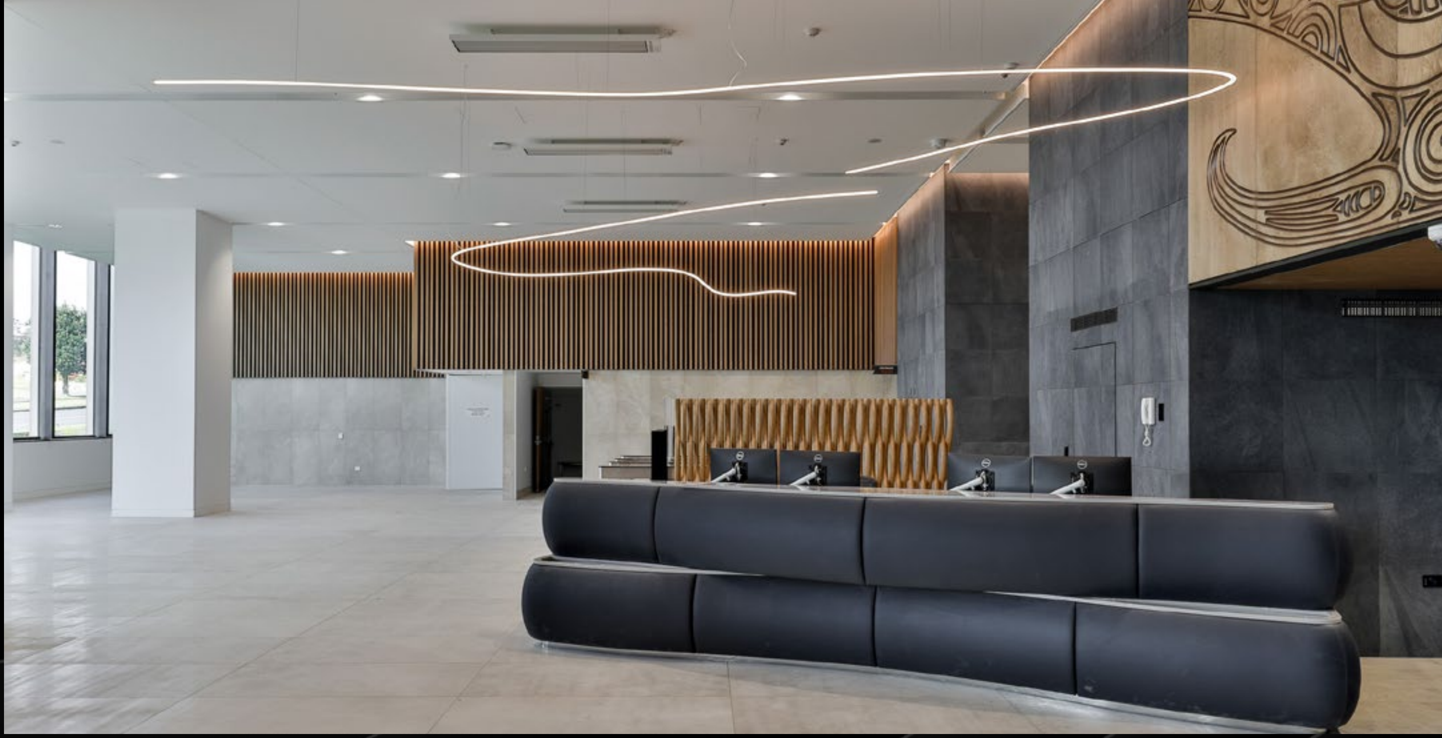
9.14 years
WALE
as at 31 March 2024

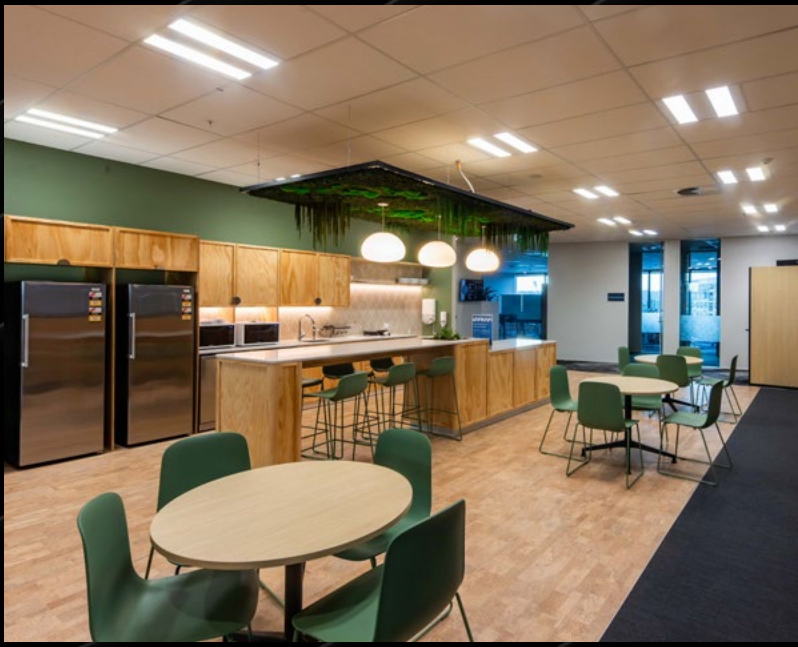
65.66%
Occupancy

$4,284,377
Net Passing Rent

$7,539,492
Market Rent







Valuation

Valuation of $116.2m as at 31 March 2024, resulting in a write down of $15.0m against delivery costs, with $8.0m booked in the current financial year.

Leasing

Leasing interest increased post completion of the development, however, there remains a paucity of occupiers in the market post the impact of the Covid-19 pandemic and subsequent working from home phenomenon.

Available Space

381m² of front of house, food & beverage, office, retail space on the ground floor and level 1 remains available

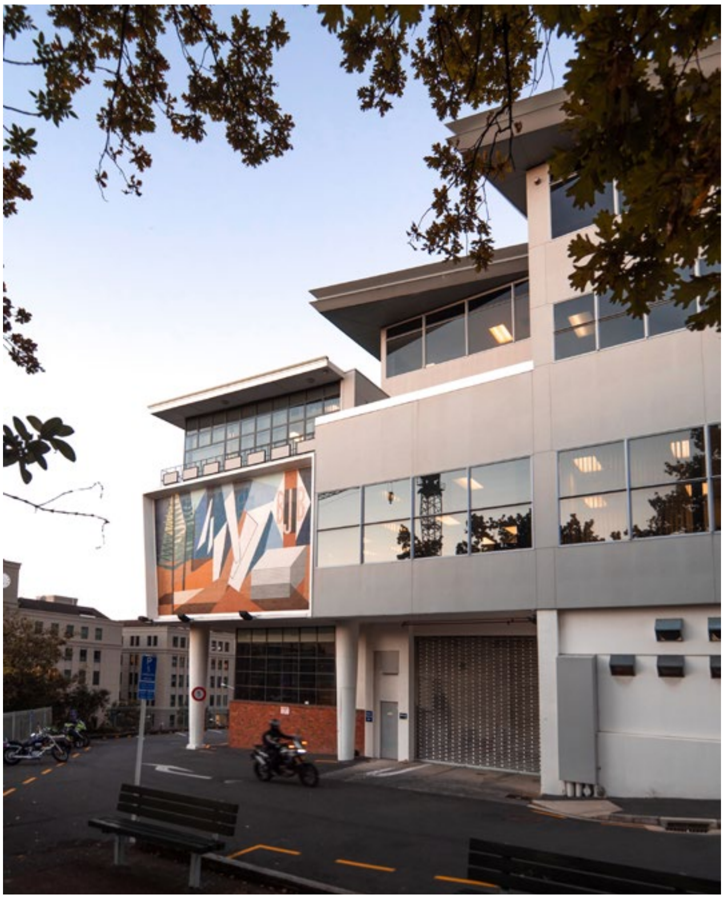
1,935m² of office available in a range of configurations/sizes remain available on level 2

2,729m² of office remains available on level 6, with the ability to split into 2 or 3 tenancies dependant on demand.

35 Graham Street

Unconditionally sold with deferred settlement

35 Graham Street,
Auckland CBD



Unconditionally sold

Unconditionally sold with a deferred settlement date of 29 November 2024.

Right to defer

Purchasers right to defer settlement a further 12 months was exercised. The total deposit received is now $13.6m (20%) and the purchase price has increased from $65.0m to $68.0m.

Fair Value

As the settlement is deferred, the current net present value is $64.74m based on the discounted value of the future net sale proceeds.

Stoddard Road

Unconditionally sold and settled

22 Stoddard Road,
Mt Roskill, Auckland

Indicative lines only

sold

Property was unconditionally sold and settled on 1 May 2023 for $36.75m following an open market sales campaign which commenced in February 2023.

$

Proceeds

Sale proceeds were utilised to reduce debt.

Finance Report

Five Year Financial Summary

	2024 $'000	2023 $'000	2022 $'000	2021 $'001	2020 $'000
Total Net Revenue	**3,653**	**3,466**	**7,729**	**9,953**	**10,959**
Administration Expenses	(1,753)	(1,939)	(1,711)	(1,736)	(1,644)
Net Finance Costs	(2,295)	(2,000)	(1,549)	(1,144)	(1,664)
Total Operating Income (Deficit)	**(395)**	**(473)**	**4,469**	**7,073**	**7,651**
Realised and unrealised gain/(loss) on investment property and property held for sale	(4,902)	(13,034)	(1,005)	8,866	(19,069)
Transaction Costs	-	-	-	(12)	(1,774)
Net Profit/(Loss) Before Taxation	**(5,297)**	**(13,507)**	**3,464**	**15,927**	**(13,192)**
Income Tax Expense	-	458	(533)	22	(1,496)
Profit and Total Comprehensive Income	**(5,297)**	**(13,049)**	**2,931**	**15,949**	**(14,688)**
Basic and Diluted Earnings Per Share (cents)	(1.46)	(3.60)	0.81	6.00	(9.07)

Financial Result Summary

	2024 $'000	2023 $'000	Variance $'000	Commentary
Total Net Revenue	**3,653**	**3,466**	**187**	The impact of the Eastgate and Stoddard Road sales reduced net rental income by $3.84 million. The impact of the above divestments was however offset by the Munroe Lane net rental income of $4.0 million which was recognised for the year (noting rent commenced on 17 May 2023). Therefore, overall net rental income increased by $0.18 million.
Administration Expenses	(1,753)	(1,939)	186	Management fees reduced due to a lower average gross asset value across the year due to divestments.
Net Finance Costs	(2,295)	(2,000)	(295)	Net Finance Costs increased by $0.29m. The FY24 net finance costs include: • Line fees of $0.51 million (FY23: $0.43 million); • Interest of $2.23 million (FY23: $1.72 million) due to higher interest rates; • Interest income of $0.52 million (FY23: $0.24 million). Interest income was higher due to the cash held and higher interest rates.
Net Operating Deficit	**(395)**	**(473)**	**78**	
Loss on Sale of Investment Property	-	(347)	347	Loss on sale at Eastgate ($94,000) and Kamo ($253,000) in FY23.
Fair Value Loss in Value of Investment Property	(4,902)	(12,687)	7,785	$4.9 million unrealised fair value loss driven by softening cap rate at Munroe Lane offset against fair value gain (discount unwind) at 35 Graham Street.
Loss Before Taxation	**(5,297)**	**(13,507)**	**8,210**	
Income Tax	-	458	(458)	Tax loss position hence no current tax and a nil movement in net deferred tax. FY23 only recognised deferred tax and no current tax.
Loss and Total Comprehensive Income, Net of Tax	**(5,297)**	**(13,049)**	**7,752**	

Adjusted Funds from Operations - Reconciliation to Net Profit After Tax

	2024 $'000	2023 $'000
Statutory Net Loss After Tax	**(5,297)**	**(13,049)**
Investment Property		
Loss on Sale of Investment Property	-	347
Fair value loss on investment property and property held for sale	4,902	12,687
Deferred Tax		
Deferred Tax Expense	-	(414)
Net Operating Loss After Tax	**(395)**	**(429)**
Straight-line rental revenue	(329)	-
Amortisation of Lease Incentives and Costs	49	135
Amortisation of Rent Relief due to COVID-19	-	90
Funds From Operations (FFO)	**(675)**	**(204)**
Incentives Granted/Commissions Paid	-	(30)
Maintenance CAPEX	-	(50)
Adjusted Funds From Operations	**(675)**	**(284)**
AFFO (cents per share)	(0.19)	(0.08)

Balance Sheet

	2024 $'000	2023 $'000
Cash	3,736	4,867
Investment Properties	116,050	118,556
Properties Held for Sale	64,743	97,990
Other Assets	5,775	8,069
Total Assets	**190,304**	**229,482**
Bank Debt	32,974	71,369
Other Liabilities	16,122	11,608
Total Liabilities	**49,096**	**82,977**
Equity	**141,208**	**146,505**
Net Tangible Assets Per Share ($)	**0.389**	**0.404**

Investment Property and Property Held for Sale

Investment Property, including property held for sale, total $180.8 million as at 31 March 2024 ($216.6 million in the prior year).

Munroe Lane is the remaining investment property which is not held for sale. This property reduced in value from $118.56 million to $116.05 million during the year. $5.4 million of capital expenditure was incurred during the year. Offsetting the capital expenditure was an $8.0 million write down for the year as the cap rate softened and leasing incentives were increased.

Graham Street is held for sale and settles on 29 November 2024. The total consideration is $68 million. The current fair value is $64.7 million which is an increase from $61.7 million at 31 March 2023. The 35 Graham Street fair value is assessed on the future settlement cash flows discounted at 9.0%. The discount rate has increased from 8.5% during the financial year due to rising interest rates.

Stoddard Road settled on 1 May 2023 and all proceeds were applied as a debt repayment.

Funding

$32.974 million of debt is drawn which represents a LVR of 18.2% as at 31 March 2024 (31.5% in the prior year). The loan facility limit as at 31 March 2024 is $44.9 million and the remaining undrawn debt totalling approximately $11.9 million which will primarily be used to fund the remaining leasing at Munroe Lane. This limit reduced to $44.9 million during the year from $85 million post the sale of Stoddard Road and receipt of the additional deposit at 35 Graham Street.

All drawn debt will be fully repaid when 35 Graham Street settles on 29 November 2024, which is ahead of the current facility term expiry of 31 March 2025. Debt is therefore recorded as a current liability.

A lockbox mechanism is currently in place to cover the ICR shortfall up to 1.25 times cover (which was reduced from 1.5 times in November 2023). This cash lockbox equates to $4 million and funds can only be released from this lockbox once the earnings profile improves from committed leases, or debt is repaid.

The interest cover ratio (ICR) is not formerly tested from a loan covenant perspective. However, EBITDA metrics are reported to the bank each quarter which assists with testing the sizing of the lockbox of $4 million.

The development facility converted to an investment facility on Munroe Lane practical completion which occurred on 13 July 2023.

Dividends

No dividends were paid during the financial year. The dividend remains subject to quarterly review. However, the dividend will likely remain ceased 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.

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.

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.

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, and a Chartered Fellow of the Institute of Directors. 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, 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 the Chair of NZ Post. 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. Carol is a member of the Disciplinary Tribunal of the NZ Institute of Chartered Accountants.

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.

The Manager

Centuria NZ is a leading fund manager with operations across New Zealand and Australia. Centuria NZ owns or manages 87 properties across sectors including office, retail, industrial, healthcare and agricultural, with $2.45 billion of assets under management. Centuria NZ employs 38 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, investor relations, legal, compliance and company secretariat. The Manager's parent company, ASX-200 listed Centuria Capital Group manages over $21 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 Platform Investments Pty Ltd, a holding company 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 2024. It reports against the NZX Corporate Governance Code dated 1 April 2023.

Principle 1 – Ethical Standards

> *"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 subcommittee 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

Board Charter

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

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 12 and director shareholdings are listed on page 20.

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 2020, he was 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 (at that time).

As three of the five directors are considered to be independent (including the Chair), the Board is comprised of a majority of independent directors.

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 2024	4	3	1	0
Year Ending 31 March 2023	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 non-executive 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 3 meetings being held in the 2023 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. As Asset Plus does not have any employees, the Committee's responsibilities only cover 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 15.

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

Continuous disclosure

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

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.

Other than the Corporate Governance disclosures, Asset Plus has not provided non-financial disclosure in this annual report in accordance with Recommendation 4.4 of the NZX Corporate Governance Code. This is due to Asset Plus' portfolio only consisting of Munroe Lane following the sale of 35 Graham Street. The key focus for Munroe Lane is to lease the current vacancy and Asset Plus does not consider that non-financial disclosure on environmental and social sustainability is currently material for shareholders in Asset Plus. Asset Plus will publish its first mandatory Climate-Related Disclosures in accordance with the Aotearoa New Zealand Climate Standards at www.assetplusnz.co.nz/company-document/ by 31 July 2024.

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. In addition, Asset Plus does not have a remuneration policy for directors (and therefore does not comply with Recommendation 5.1 of the NZX Corporate Governance Code. The Board does not consider that any changes are currently necessary to director remuneration as a result of the reducing asset base of Asset Plus. Should any changes to director remuneration be proposed, the Board will consider adopting a remuneration policy.

Director remuneration

As Asset Plus no longer has any employees, it does not have a remuneration policy for executives and therefore does not comply with Recommendation 5.2 of the NZX Corporate Governance Code.

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 & Risk Committee	$75,000	$75,000
Allen Bollard	$65,000	$5,000 – Member of Audit & 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, oversees risk management and reports to the Board on 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 New Zealand Audit Limited is the auditor of Asset Plus with the audit partner rotated every 5 years. Grant Thornton New Zealand Audit Limited 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 is conducted by a poll.

The annual shareholders notice of meeting in 2023 was provided to shareholders 17 working days prior to the annual meeting and therefore did not comply with the recommendation to provide it at least 20 working days prior to the annual meeting. This was due to a delay in finalising the notice. The notice period was longer than the minimum 10 working day period required under Asset Plus' constitution.

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 2024.

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 2024.

Director	Board Meetings Held While A Director	Board Meetings Attended	Audit & Risk Committee Meetings Attended
Bruce Cotterill	7	7	3
Carol Campbell	7	7	3
Allen Bollard	7	7	3
Paul Duffy	7	7	N/A
John McBain	7	4	N/A

Interest Register Record

The only entry made in the interests register during the year ended 31 March 2024 was from Carol Campbell to note that she was no longer a director of Kiwibank Limited, effective 30 June 2023.

Share Dealings by Directors

There were no share dealings by Directors during the year ended 31 March 2024. Securities of the Company in which each Director had a relevant interest as at 31 March 2024:

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.

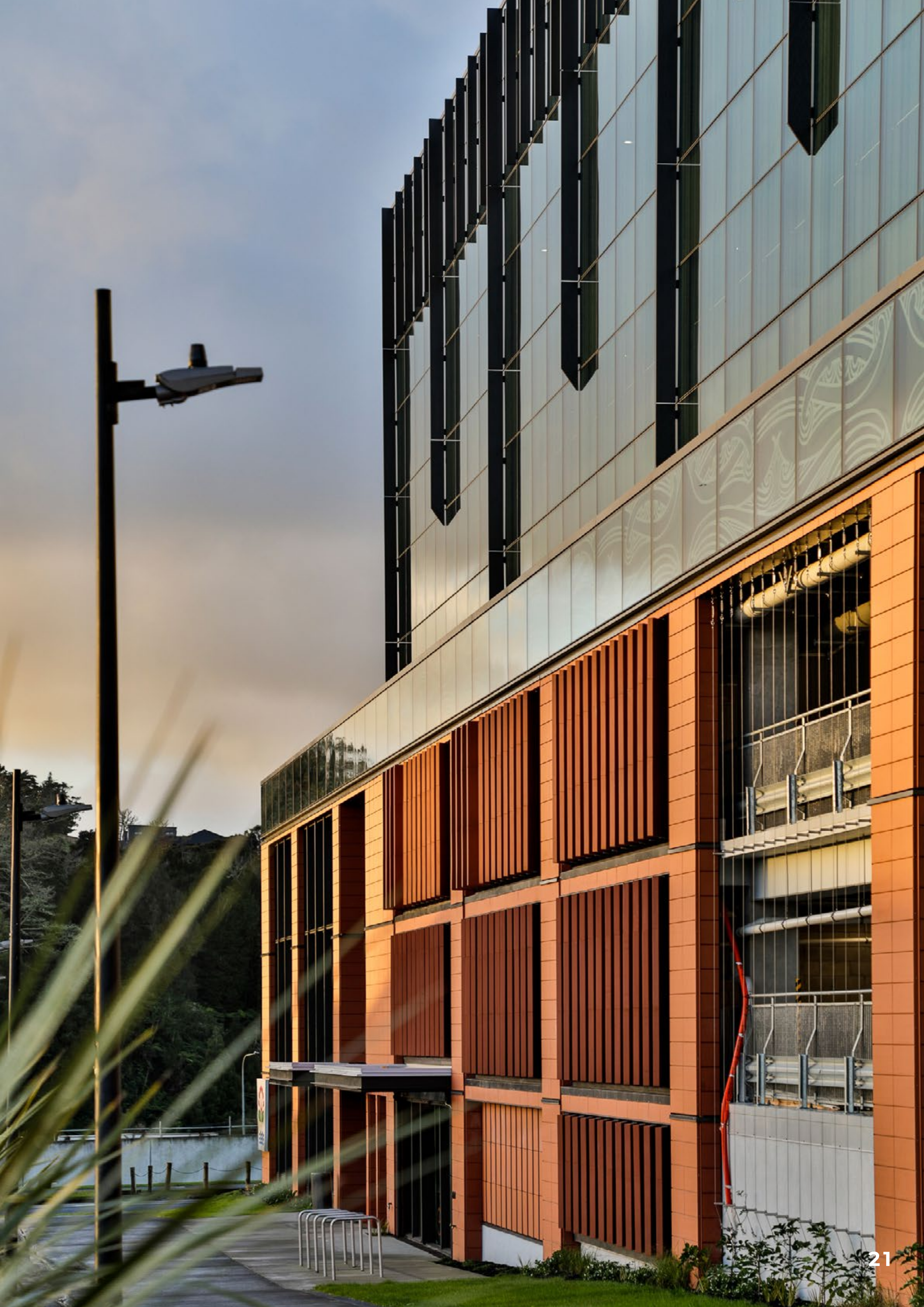
Donations

The Company did not make any donations in the year to 31 March 2024 (2023: Nil).

Audit Fees

Amounts paid to the Auditor of the Company:

	2024 $'000	2023 $'000
Grant Thornton Audit Fees	67	75
In addition to the audit the following other fees were paid to auditors		
Other Assurance Services	30	30
Total	**97**	**105**



Financial Statements

2024

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Consolidated Statement of Comprehensive Income

For the year ended 31 March 2024

	Note	2024 $'000	2023 $'000
Gross Rental Revenue		5,329	6,377
Direct Property Operating Expenses		(1,676)	(2,911)
Net Rental Revenue	**5**	**3,653**	**3,466**
Administration Expenses	6	(1,753)	(1,939)
Net Finance Costs	6	(2,295)	(2,000)
Net Total Operating Expenses		**(4,048)**	**(3,939)**
Net Operating Deficit		**(395)**	**(473)**
Loss on Sale of Investment Property		-	(347)
Net Fair Value Loss on Investment Properties and Held for Sale		(4,902)	(12,687)
Net Loss Before Taxation		**(5,297)**	**(13,507)**
Income Tax	**7**	**-**	**458**
Net Loss After Taxation		**(5,297)**	**(13,049)**
Other Comprehensive Income		-	-
Total Comprehensive Loss for the Year, Net of Tax		**(5,297)**	**(13,049)**
Basic and Diluted Loss Per Share (cents)	**17**	**(1.46)**	**(3.60)**

The notes set out on pages 29 to 47 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 2024

	Note	Share Capital $'000	Accumulated Losses $'000	Total $'000
Opening Balance at 01 April 2022		**192,726**	**(33,172)**	**159,554**
Net Loss After Taxation		-	(13,049)	**(13,049)**
Total Comprehensive Loss for the Year, Net of Tax		**-**	**(13,049)**	**(13,049)**
Closing Balance at 31 March 2023		**192,726**	**(46,221)**	**146,505**
Opening Balance at 01 April 2023		**192,726**	**(46,221)**	**146,505**
Net Loss After Taxation		-	(5,297)	**(5,297)**
Total Comprehensive Loss for the Year, Net of Tax		**-**	**(5,297)**	**(5,297)**
Closing Balance at 31 March 2024		**192,726**	**(51,518)**	**141,208**

The notes set out on pages 29 to 47 form part of, and should be read in conjunction with, the consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March 2024

	Note	2024 $'000	2023 $'000
Current Assets			
Cash and Cash Equivalents		3,736	4,867
Trade and Other Receivables	9	338	389
Other Financial Assets	10	5,320	7,264
Prepayments		117	217
Total Current Assets		**9,511**	**12,737**
Properties Held for Sale	**12**	**64,743**	**97,990**
Non-Current Assets			
Investment Properties	11	116,050	118,556
Prepayments		-	199
Total Non-Current Assets		**116,050**	**118,755**
Total Assets		**190,304**	**229,482**
Current Liabilities			
Trade Payables, Accruals and Provisions	14	2,522	5,082
Deposits Received	12	13,600	6,500
Other Current Liabilities		-	26
Borrowings	13	32,974	-
Total Current Liabilities		**49,096**	**11,608**
Non-Current Liabilities			
Borrowings	13	-	71,369
Deferred Taxation	7	-	-
Total Non-Current Liabilities		**-**	**71,369**
Total Liabilities		**49,096**	**82,977**
Net Assets		**141,208**	**146,505**
Share Capital		**192,726**	**192,726**
Accumulated Losses		**(51,518)**	**(46,221)**
Shareholders' Equity		**141,208**	**146,505**

The Board of Directors of Asset Plus Limited approved the consolidated financial statements for issue on 28 May 2024.

Bruce Cotterill
Chairman

Carol Campbell
Chair Audit and Risk Committee

The notes set out on pages 29 to 47 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 2024

	2024 $'000	2023 $'000
Cash Flows from Operating Activities Cash was provided from/(Applied to):		
Gross Rental Revenue	5,233	8,491
Other Income	-	19
Operating Expenses	(2,646)	(4,429)
Interest Income	567	238
Interest Expense	(2,721)	(1,958)
Taxation Refund/(Paid)	-	440
Lease Incentives & Commissions Paid	-	(52)
Net Cash Inflow from Operating Activities	**433**	**2,749**
Cash Flows from Investing Activities Cash was provided from/(Applied to):		
Sale of Investment Property	36,808	44,528
Deposit Received from Investment Property Held for Sale	7,100	6,500
Capital Expenditure on Investment Properties	(6,528)	(58,224)
Funds held in retention	(126)	(2,264)
Capitalised Finance Costs on investments	(1,016)	(3,213)
Transaction Costs	(406)	-
Tenant Deposits Received/Repaid	-	(53)
Net Cash Inflow/(Outflow) from Investing Activities	**35,832**	**(12,726)**
Cash Flows From Financing Activities Cash was provided from/(Applied to):		
Repayment of Borrowings	(45,450)	(40,000)
Proceeds from Borrowings	7,054	55,669
Loan establishment costs	-	(212)
Transfer from/(to) Lockbox	1,000	(5,000)
Net Cash (Outflow)/Inflow from Financing Activities	**(37,396)**	**10,457**
Net (Decrease)/Increase in Cash and Cash Equivalents	(1,131)	480
Cash and Cash Equivalents at the Beginning of the Year	4,867	4,387
Cash and Cash Equivalents at the End of the Year	**3,736**	**4,867**

The notes set out on pages 29 to 47 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 2024

	2024 $'000	2023 $'000
Net Loss after Taxation	**(5,297)**	**(13,049)**
Items Classified as Investing or Financing Activities:		
Unrealised Loss in Fair Value of Investment Properties	4,902	12,687
Loss on Disposal of Investment Property	-	347
Movement in Deferred Taxation	-	(414)
Amortisation of Loan establishment costs	75	68
Transaction Costs	38	-
Movements in Working Capital Items:		
Accounts Receivable and Prepayments	220	2,046
COVID-19 rent relief	-	28
Leasing fees paid and leasing fees granted	-	(30)
Trade and Other Payables	775	552
Taxation Payable	-	433
Non-Cash Items:		
Straight-line rental income	(329)	-
Amortisation of leasing fees and incentives	49	81
Net Cash Inflow from Operating Activities	**433**	**2,749**

The notes set out on pages 29 to 47 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 Material 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. There are no new accounting standards adopted in the current year.

Accounting standards that are issued but not yet effective

	Issue date
- Classification of Liabilities as Current and Non-current (Amendments to NZ IAS 1)	1 January 2024
- Disclosure of Fees for Audit Firms' Services (Amendments to FRS-44)	1 January 2024

(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 2024, 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 2024	**31 March 2023**
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 2024

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 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 2024, the current liabilities of the Group exceeded its current assets by $39,585,000 (2023: Net current assets $1,129,000) because the loan is a current liability as the debt facilities will expire on 31 March 2025.

The net sale proceeds from 35 Graham Street, which settles on 29 November 2024, will be applied to fully repay external bank debt.

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:

- The Munroe Lane development completed in July 2023, providing rental income and cash inflows from this point;
- Available liquidity levels, undrawn and available debt on the loan facilities and forecast cashflows for at least 12 months 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 were:

As At 31 March 2024	Effective Interest Rate Range	Less Than 1 Year $'000	1 - 2 Years $'000	2 Years + $'000
Financial Assets				
Cash and Cash Equivalents	0.00% - 4.91%	3,736	-	-
Trade Receivables and Other Receivables		338	-	-
Other Financial Assets	4.80% - 5.40%	5,320	-	-
Total Financial Assets		**9,394**	**-**	**-**
Financial Liabilities				
Trade Payables and Other Payables		(1,600)	-	-
Deposits Received		(13,600)	-	-
Borrowings	7.16% - 8.09%	(32,974)	-	-
Total Financial Liabilities		**(48,174)**	**-**	**-**
As At 31 March 2023				
Financial Assets				
Cash and Cash Equivalents	0.00% - 5.04%	4,867	-	-
Trade Receivables and Other Receivables		389	-	-
Other Financial Assets	2.93% - 4.94%	7,264	-	-
Total Financial Assets		**12,520**	**-**	**-**
Financial Liabilities				
Trade Payables and Other Payables		(2,029)	-	-
Deposits Received		(6,500)	-	-
Borrowings	3.41% - 7.43%	-	(71,369)	-
Total Financial Liabilities		**(8,529)**	**(71,369)**	**-**

The Group's assets and liabilities which are subject to interest rate changes, consist of cash and cash equivalents 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.

	2024 $'000	2023 $'000
1% increase		
Cash and Cash Equivalents And Financial Assets	106	121
Borrowings	(330)	(714)
1% decrease		
Cash and Cash Equivalents And Financial Assets	(106)	(121)
Borrowings	330	714

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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 2024	Note	Designated As Fair Value $'000	Amortised Cost $'000	Total Carrying Amount $'000	Fair Value $'000
Financial Assets					
Cash and Cash Equivalents		-	3,736	3,736	3,736
Trade Receivables and Other receivables	9	-	338	338	338
Other Financial Assets	10	-	5,320	5,320	5,320
Total Financial Assets		**-**	**9,394**	**9,394**	**9,394**
Financial Liabilities					
Trade Payables and Other Payables	14	-	(1,600)	(1,600)	(1,600)
Deposits Received		-	(13,600)	(13,600)	(13,600)
Borrowings	13	-	(32,974)	(32,974)	(32,974)
Total Financial Liabilities		**-**	**(48,174)**	**(48,174)**	**(48,174)**
As At 31 March 2023					
Financial Assets					
Cash and Cash Equivalents		-	4,867	4,867	4,867
Trade Receivables and Other receivables	9	-	389	389	389
Other Financial Assets	10	-	7,264	7,264	7,264
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)**

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 & Poors).

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.

As At 31 March 2024	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	1,600	1,600	-	1,600	-	-	-
Borrowings (Note 13)	32,974	32,974	-	32,974	-	-	-
Interest and fees payable to the bank	190	3,122	-	3,122	-	-	-
Total	**34,764**	**37,696**	**-**	**37,696**	**-**	**-**	**-**

As At 31 March 2023							
Financial Liabilities							
Non-derivative financial liabilities							
Trade Payables and Other Payables	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**	**-**	**6,229**	**75,334**	**-**	**-**

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 2024

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.

	2024 $'000	2023 $'000
Rental charged to tenants in the ordinary course of business	4,452	4,870
Operating cost recoveries from tenants and customers	587	1,456
Amortisation of capitalised lease cost adjustments	(49)	(30)
COVID-19 Rental Adjustments	10	60
Straight-line rental revenue*	329	-
Total gross operating revenue	**5,329**	**6,356**
Other revenue	-	21
Gross rental revenue	**5,329**	**6,377**
Property operating costs**	**(1,676)**	**(2,911)**
Net rental revenue	**3,653**	**3,466**

** Rental income is recognised on a straight-line basis over the shorter of the lease term or the term to the market rent review date.*
*** 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:

	2024 $'000	2023 $'000
Within one year	4,783	4,176
After one year but not more than five years	19,903	19,344
More than five years	50,255	58,222

The above rental receivables are based on contracted amounts as at 31 March 2024 and 31 March 2023. 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.

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 13) on a straight line basis.

	Note	2024 $'000	2023 $'000
Administration expenses			
Management fees		(990)	(1,130)
Directors' fees	19	(300)	(300)
Auditor's remuneration		(97)	(105)
Professional fees		(151)	(230)
Other administration costs [1]		(215)	(174)
Total administration expenses		**(1,753)**	**(1,939)**
Net finance costs			
Interest and finance costs*		(2,816)	(2,238)
Interest revenue		521	238
Total net finance costs		**(2,295)**	**(2,000)**

** In addition to Interest paid on the loan the Interest and finance costs include line fees of $506,000 (PY: $433,000) and amortised loan establishment fees of $75,000 (PY: $68,000)*

Auditor's remuneration as follows:		
Audit of the annual financial statements	(67)	(75)
Other assurance services [2]	(30)	(30)
Total auditor's remuneration	**(97)**	**(105)**

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

[2] Review of the interim financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2024

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:

	2024 $'000	2023 $'000
Current tax		
Current income tax charge	-	-
Prior year tax adjustment	-	44
Current tax	**-**	**44**
Net deferred income tax		
Investment property building depreciation	(245)	(204)
Recognition of deferred tax asset	232	642
Other	13	(24)
Net deferred income tax	**-**	**414**
Income tax reported in the consolidated statement of comprehensive income	**-**	**458**

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:

	2024 $'000	2023 $'000
Net loss before tax	(5,297)	(13,507)
Income taxation benefit (expense) (28%)	**1,483**	**3,782**
Adjust for revaluations of investment property	(1,373)	(3,553)
Adjust for non-deductible expenses	-	-
Adjust for capital loss on disposal of investment property	-	(97)
Adjust for development loan facility fees	316	812
Adjustment for deferred tax (depreciation on buildings)	(245)	(204)
Deferred tax assets not recognised	(1,415)	(1,088)
Adjustment for depreciation (claimed in financial year)	1,129	554
Prior period adjustment	-	44
Other	105	208
Income tax reported in the consolidated statement of comprehensive income	**-**	**458**

Deferred Income Tax	2024 $'000	2023 $'000
Net deferred income tax liability relates to the following:		
Deferred income tax assets:		
Accumulated tax losses	874	642
Deferred income tax liabilities:		
Recoverable depreciation on Investment properties	(874)	(629)
Other	-	(13)
Net deferred income tax liabilities	**(874)**	**(642)**
Deferred taxation	**-**	**-**

For the year-ended 31 March 2024, the Group is in a tax loss position. It is not considered probable that the Group 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 2024, resulting in a net nil deferred tax balance sheet position, in accordance with IAS 12.

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 2024

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.

	2024 $'000	2023 $'000
Trade receivables	-	27
GST receivable	-	229
Total trade receivables	**-**	**256**
Other receivables	338	133
Total other receivables	**338**	**133**
Total trade and other receivables	**338**	**389**

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

Loan establishment fees (unamortised)	105	399
Other prepayments	12	17
Prepayments	**117**	**416**
Current Prepayments	117	217
Non-Current Prepayments	-	199
Prepayments	**117**	**416**

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.

	2024 $'000	2023 $'000
Restricted Cash - Term Deposit Lockbox	4,000	5,000
Funds held in retention	1,320	2,264
Total Other Assets	**5,320**	**7,264**

A 'lockbox' amount of $4.0 million was placed into a term deposit as restricted cash to cover the forecast EBITDA shortfall up to a 1.25 times interest cover ratio (March 2023: $5 million). Funds are held in trust of $1.32 million being the Munroe Lane retention funds (March 2023: $2.264 million).

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 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 2024

	Opening fair value balance (including WIP) $'000	Capex[1] $'000	Capitalised leasing costs net of amortisation $'000	Loss on revaluation $'000	Straight-line rent accrual $'000	Fair value at balance date $'000
Investment Property						
Munroe Lane	118,556	4,358	794	(7,987)	329	116,050
						-
Total Investment Property	**118,556**	**4,358**	**794**	**(7,987)**	**329**	**116,050**

[1] The opening fair value balance includes leasing costs amounting to $0.84 million which were paid in a prior year when the Munroe Lane property was still under development. In the current year, in order to present the capitalised leasing costs net of amortisation in the table above, the capex amount has been reduced by $0.84 million.

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Munroe Lane work in progress (WIP) was reclassified on practical completion which was achieved on 13 July 2023. The opening balance reflects the WIP incurred. Munroe Lane is therefore classified as an investment property as at 31 March 2024.

Munroe Lane is measured at fair value, which includes costs to complete, as at 31 March 2024 and is determined by the independent valuation using the capitalisation and discounted cashflow approach. The independent valuation was conducted by an independent registered valuer who is a member of the Institute of Valuers of New Zealand. The valuer is experienced in valuing commercial properties.

The independent valuation as at 31 March 2024 is $116.2 million. The fair value reflects $0.15 million of costs to complete. The fair value is also adjusted to reflect the straight-line rent accrual and the capitalised leasing costs net of amortisation as set out in the table above.

As at 31 March 2023

Investment Properties	Opening fair value balance $'000	Capex $'000	Lease amortisation & other $'000	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**

[1] *WIP related to costs incurred in relation to current or future development work which were not included in the inputs to the external valuation calculation by the independent valuers. These costs included design, consents and other direct costs capitalised as development costs.*

As at 31 March 2024	Valuer	Capitalisation Rate %	Occupancy Rate %	WALT Years	Valuation $'000
Munroe Lane 6-8 Munroe Lane, Auckland	Jones Lang LaSalle	6.25	65.66	9.14	116,200
Adjust for costs to complete at balance date					(150)
Fair Value					**116,050**

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	10.00	126,000
Adjust for costs to complete at balance date	Jones Lang LaSalle				(7,444)
					118,556

* *This was 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	2024	2023	Sensitivity Of Fair Value To Changes In the estimated fair value would increase/(decrease):
Capitalisation Of Net Income	Market Capitalisation rate (%)	6.25%	6.00%	Capitalisation rate was lower (higher).
	Market rental ($ per sqm)*	$417	$479	Retail and office rental income per square meter was higher (lower).
Discounted Cash Flow	Discount rate (%)	7.25%	7.13%	The discount rate was lower (higher).
	Rental growth rate (%) over 10 years	2.55%	2.20%	Rental growth was higher (lower).
	Occupancy rate (%)	65.66%	65.00%	The occupancy rate was higher (lower).
	Letting up period (months)**	9 months	6 months	Letting up period was lower (higher).
	Lease incentives	1.5 - 3 months per annum over lease term	1 month per annum over lease term	Lease incentives were lower (higher).
Sales Income Approach	Price per square meter rate ($ per sqm)	$7,974	$7,905	Rate per square metre was higher (lower).

The above table only represents Munroe Lane.

** 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 let up vacant areas.*

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 yield 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 yield is used in the capitalisation approach.

Munroe Lane	-100bps	-50bps	Value	+50bps	+100bps
Yield - fully leased	5.49%	5.99%	**6.49%**	6.99%	7.49%
Adopted Value	137,222	125,752	**116,050**	107,736	100,533

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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 2024

Property	Opening balance $'000	Gain on revaluation $'000	Disposal $'000	Closing balance $'000
Stoddard Road	36,330	-	(36,330)	-
35 Graham Street	61,660	3,083	-	64,743
Total	**97,990**	**3,083**	**(36,330)**	**64,743**

On 1 May 2023 Stoddard Road was sold for $36.75 million and the net sale proceeds were $36.33 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 29 November 2024 including the deposits received of $13.6 million. A discount rate of 9.0% has been used as at 31 March 2024 (2023: 8.5%) which reflects the assumed weighted average cost of capital. The increase in the fair value is due to the impact of the discount unwind offset against the extended settlement date (which was extended on 27 September 2023).

Valuation sensitivity

35 Graham Street - 29 November 2024 settlement	-100bps	-50bps	Value	+50bps	+100bps
Discount rate (%)	8.00%	8.50%	**9.00%**	9.50%	10.00%
Adopted Value	65,056	64,899	**64,743**	64,588	64,434

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.

Stoddard Road was measured at fair value less costs to sell and was transferred to held for sale during the March 2023 year. The fair value was based on the conditional sale and purchase agreement.

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 $1.1m (2023: $2.9m)

Facility	Bank	Loan Maturity	2024 $'000	2023 $'000
Working Capital Facility	BNZ	31/03/25	8,750	14,100
Investment Facility	BNZ	31/03/25	24,224	4,700
Development Facility	BNZ	31/03/25	-	52,569
Total			**32,974**	**71,369**

**The Development Facility was converted to an Investment Facility on 13 July 2023 after the Practical Completion of the Munroe Lane development occurred.*

Financing facilities available

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

	2024 $'000	2023 $'000
Facilities drawn at reporting date - secured bank loan (BNZ)	32,974	71,369
Facilities undrawn at reporting date - secured bank loan (BNZ)	11,926	13,631
Total	**44,900**	**85,000**

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 $85 million to $44.9 million during the year due to the repayment of debt from funds received from the sale of Stoddard Road as well as the second deposit received at 35 Graham Street. The loan facilities mature on 31 March 2025 and are classified as a current liability.

Loan covenants – BNZ bank

During the year ended 31 March 2024 all loan covenants were met (2023: all met).

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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.

	2024 $'000	2023 $'000
Trade payables	12	73
GST payable	114	-
Other payables	1,474	1,956
Total trade and other payables	**1,600**	**2,029**
Interest accrual	190	360
Opex accruals	655	533
Capex accruals	77	2,150
Total accruals	**922**	**3,043**
Provisions for COVID-19 support	-	10
Total provisions	**-**	**10**
Total trade payables, accruals and provisions	**2,522**	**5,082**

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 2024			Year ended 31 March 2023		
		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)
		$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Investment properties	Note 11	-	-	116,050	-	-	118,556
Properties held for sale	Note 12	-	-	64,743	-	-	97,990

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 2024 (2023: None).

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

	2024	**2023**
Ordinary Shares		
Number of issued and fully paid shares ('000)	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.

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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.

	2024 $'000	2023 $'000
Total Comprehensive Loss for the Year, Net of Tax	(5,297)	(13,049)
Weighted average number of ordinary shares ('000)	362,718	362,718
Loss per share (cents) - basic and fully diluted	**(1.46)**	**(3.60)**

18. Dividends Paid to Shareholders

No dividends were paid (2023: $nil)

	2024 $'000	2023 $'000
Imputation credit account		
At 31 March the imputation credits available for use in subsequent reporting periods are	100	100

19. Remuneration

Key management personnel costs	2024 $'000	2023 $'000
Directors' remuneration	300	300
Total	**300**	**300**

20. Related Parties

Centuria Funds Management (NZ) Limited owns the management contract rights of the Group. Centuria Platform Investments Pty Limited, owns 19.99% of Asset Plus Limited. During the year the shareholding was transferred from Centuria Capital (NZ) No.1 Limited to Centuria Platform Investments Pty Limited. 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.

	2024		2023	
Fees paid and owing to the manager ($'000)	**Fees Charged**	**Fees Owed**	**Fees Charged**	**Fees Owed**
Management fees	930	455	1,130	278
Performance fees	60	-	-	-
Lease renewal fees	-	-	38	-
Property management fees	77	39	51	30
Development management fees	170	67	1,945	213
Total	**1,237**	**561**	**3,164**	**521**

21. Commitments and Contingencies

Capital commitments

At 31 March 2024 the Group has the following capital commitments:

- There are no capital commitments as at 31 March 2024 (31 March 2023: $3,725,717 in regards to the development at Munroe Lane).

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 2023: $75,000).

Contingent liabilities

At the reporting date the Group had no material contingent liabilities (2023: nil).

22. Subsequent Events

No events have occurred subsequent to year end.

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 2024, 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 material 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 2024 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.

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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 $116.1 million and $64.7 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; • Involved internal specialists to assist with our assessment of whether significant valuation assumptions fell within reasonable ranges and the valuation methodologies adopted were appropriate. • 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 2024; • 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; • Recalculated the fair value adjustment to be recorded for the year for each investment property as at 31 March 2024; • Considered the adequacy of the disclosures made in Note 3 Material 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.

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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/standards/assurance-standards/auditors-responsibilities/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
28 May 2024

Shareholder Statistics

Twenty Largest Shareholders

Top 20 Shareholders (with expanded NZCSD Sub-Register) as at 13 May 2024.

Rank	Investor Name	Total Shares	% Issued Capital
1	Centuria Platform Investments Pty Ltd	72,507,288	19.99
2	Accident Compensation Corporation	59,420,192	16.38
3	HSBC Nominees (New Zealand) Limited	32,451,551	8.95
4	Forsyth Barr Custodians Limited	10,512,597	2.9
5	Leveraged Equities Finance Limited	10,432,281	2.88
6	JPMORGAN Chase Bank	8,359,601	2.3
7	Tea Custodians Limited	7,367,158	2.03
8	FNZ Custodians Limited	6,990,066	1.93
9	New Zealand Depository Nominee	4,982,238	1.37
10	Citibank Nominees (Nz) Ltd	3,881,870	1.07
11	Mmc Queen Street Nominees Ltd Acf Salt Long Short Fund	3,548,335	0.98
12	Forsyth Barr Custodians Limited	3,100,000	0.85
13	Nzx Wt Nominees Limited	3,028,734	0.84
14	Elizabeth Beatty Benjamin & Michael Murray Benjamin	3,000,000	0.83
15	Investment Custodial Services Limited	2,922,348	0.81
16	Francis Ivor Charles Jasper & Victoria Jane Carpenter & Anthony Francis Segedin	2,900,000	0.8
17	Bnp Paribas Nominees NZ Limited Bpss40	2,792,389	0.77
18	Mmc Queen Street Nominees Ltd Acf Salt Enhanced Property Fun	2,707,869	0.75
19	Janet Backhouse	2,236,855	0.62
20	New Zealand Permanent Trustees Limited	2,154,496	0.59

Spread of shareholders

The following is a spread of quoted security holders as at 13 May 2024.

Range	Holders	Shares	% Issued Shares
1-1,000	95	57,270	0.02
1,001-5,000	349	1,060,533	0.29
5,001-10,000	280	2,203,512	0.61
10,001-50,000	642	16,167,215	4.46
50,001-100,000	232	17,649,707	4.87
Greater than 100,000	253	325,579,564	89.76

Substantial Security Holders

As at 31 March 2024, the following Shareholders had filed substantial security notices in accordance with the Financial Markets Conduct Act 2013

Shareholder	
Centuria Platform Investments Pty Ltd	72,507,288
Accident Compensation Corporation*	55,539,084
Salt Funds Management Limited	39,749,257
Westpac Banking Corporation (and related bodies corporate)	29,455,484
Total ordinary shares on issue at 31 March 2024	**362,717,801**

** On 6 May 2024, Accident Compensation Corporation disclosed that it had a relevant interest in 59,340,770 ordinary shares.*

This annual report is dated 28 May 2024 and is signed on behalf of the board by:

Bruce Cotterill
Chairman

Carol Campbell
Chair Audit and Risk Committee

Directory

Company

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Phone: 09 300 6161

www.assetplusnz.co.nz

Directors

Bruce Cotterill
Allen Bollard
Carol Campbell
Paul Duffy
John McBain

Bankers

Bank of New Zealand

Level 6
Deloitte Centre
80 Queen Street
Auckland

Auditor

Grant Thornton New Zealand Audit Limited

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152 Fanshawe Street

PO Box 1961
Auckland 1140

Registrar

Link Market Services Limited

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Auckland 1010

PO Box 91976
Auckland 1142

Phone: 09 375 5998
Fax: 09 375 5990

Manager

Centuria Funds Management (NZ) Limited

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ASSET PLUS+

MANAGED BY Centuria