

INTERIM REPORT 2024

FOR THE SIX MONTHS ENDED
30 SEPTEMBER 2024

This Interim Financial Report for Asset Plus Limited (including Subsidiaries) covers the trading period from 1st April 2024 to 30th September 2024.



ASSET PLUS+
— MANAGED BY Centuria

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Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2024

	Note	Unaudited 30 Sep 2024 \$'000	Unaudited 30 Sep 2023 \$'000
Gross Rental Revenue		3,235	2,608
Direct Property Operating Expenses		(1,007)	(920)
Net Rental Revenue	4	2,228	1,688
Administration Expenses	5	(822)	(892)
Net Finance Costs	5	(1,350)	(927)
Total Net Operating Expenses		(2,172)	(1,819)
Net Operating Surplus/(Deficit)		56	(131)
Net Fair Value Gain/(Loss) on Investment Property and Held for Sale		2,268	(4,588)
Net Profit/(Loss) Before Taxation		2,324	(4,719)
Income Tax	6	-	-
Net Profit/(Loss) After Taxation		2,324	(4,719)
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss) For the Period, Net of Tax		2,324	(4,719)
Basic and Diluted Earnings Per Share (cents)	13	0.64	(1.30)

The above interim condensed consolidated statement should be read in conjunction with the accompanying notes

Interim Condensed Consolidated Statement of Changes In Equity

For the six months ended 30 September 2024

	Share Capital \$'000	Accumulated Losses \$'000	Total \$'000
Opening Balance at 1 April 2024 (audited)	192,726	(51,518)	141,208
Net Profit After Taxation	-	2,324	2,324
Total Comprehensive Income For the Period	-	2,324	2,324
Closing Balance at 30 September 2024 (unaudited)	192,726	(49,194)	143,532

For the six months ended 30 September 2023

	Share Capital \$'000	Accumulated Losses \$'000	Total \$'000
Opening Balance at 1 April 2023 (audited)	192,726	(46,221)	146,505
Net Loss After Taxation	-	(4,719)	(4,719)
Total Comprehensive Loss For the Period	-	(4,719)	(4,719)
Closing Balance at 30 September 2023 (unaudited)	192,726	(50,940)	141,786

Interim Condensed Consolidated Statement of Financial Position

As at 30 September 2024

	Note	Unaudited As at 30 Sep 2024 \$'000	Audited As at 31 March 2024 \$'000
Current Assets			
Cash and Cash Equivalents		2,480	3,736
Trade And Other Receivables		93	338
Other Financial Assets	8	4,170	5,320
Prepayments		474	117
Total Current Assets		7,217	9,511
Properties Held for Sale	10	67,381	64,743
Non-Current Assets			
Investment Property	9	116,200	116,050
Total Non-Current Assets		116,200	116,050
Total Assets		190,798	190,304
Current Liabilities			
Trade Payables, Accruals And Provisions		691	2,522
Deposits Received		13,600	13,600
Borrowings	11	32,974	32,974
Total Current Liabilities		47,265	49,096
Non-Current Liabilities			
Deferred Taxation	6	-	-
Total Non-Current Liabilities		-	-
Total Liabilities		47,265	49,096
Net Assets		143,532	141,208
Share Capital		192,726	192,726
Accumulated Losses		(49,194)	(51,518)
Shareholders' Equity		143,532	141,208

The Board of Asset Plus Limited approved the interim condensed consolidated financial statements for issue on 26 November 2024.



Bruce Cotterill
Chairman



Carol Campbell
Chair Audit and Risk Committee

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2024

	Unaudited 30 Sep 2024 \$000	Unaudited 30 Sep 2023 \$000
Cash Flows from Operating Activities		
Cash was provided from/(applied to):		
Gross Rental Revenue	3,160	2,203
Operating Expenses	(2,978)	(1,648)
Interest Income	178	319
Interest Expense	(1,541)	(1,117)
Net Cash Outflow from Operating Activities	(1,181)	(243)
Cash Flows from Investing Activities		
Cash was provided from/(applied to):		
Sale of Investment Property	-	36,692
Deposit Received from Investment Property Held for Sale	-	7,100
Capital Expenditure on Investment Properties	(75)	(5,808)
Funds Held In Retention	-	(58)
Capitalised Finance Costs On Investments	-	(1,016)
Transaction Costs	-	(406)
Net Cash (Outflow)/Inflow from Investing Activities	(75)	36,504
Cash Flows from Financing Activities		
Cash was provided from/(applied to):		
Repayment of Borrowings	-	(43,450)
Proceeds from Borrowings	-	7,054
Net Cash Outflow from Financing Activities	-	(36,396)
Net Decrease in Cash and Cash Equivalents	(1,256)	(135)
Cash and Cash Equivalents at the Beginning of the Period	3,736	4,867
Cash and Cash Equivalents at the End of the Period	2,480	4,732

Reconciliation of Net Profit to Net Cash Flow from Operating Activities

For the six months ended 30 September 2024

	Unaudited 30 Sep 2024 \$000	Unaudited 30 Sep 2023 \$000
Net Profit/(Loss) after Taxation	2,324	(4,719)
Items Classified as Investing or Financing Activities:		
Transaction Costs	-	38
Finance Costs	12	53
Movements in Working Capital Items:		
Trade Receivables, Other Receivables and Prepayments	(104)	(227)
Trade Payables, Accruals and Provisions	(741)	126
Non-Cash Item:		
Straight-line rental income	(432)	(123)
Amortisation of leasing fee	28	21
Net Fair Value (Gain)/Loss on Investment Property and Held for Sale	(2,268)	4,588
Movement in Deferred Taxation	-	-
Net Cash Outflow from Operating Activities	(1,181)	(243)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

1. Corporate Information

The interim condensed 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 an FMC Reporting Entity under the Financial Markets Conduct Act 2013. The registered office is located at Level 2, Bayleys 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.

The interim condensed consolidated financial statements for the six months ended 30 September 2024 and the comparative balances for the six months ended 30 September 2023 are unaudited. Comparative balances as at 31 March 2024 are audited.

2. Statement of Compliance and Basis of Preparation

The interim condensed consolidated financial statements for the six months ended 30 September 2024 have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"), the requirements of the Financial Markets Conduct Act 2013 and the Main Board listing rules of the New Zealand Stock Exchange. They also comply with the New Zealand Equivalent to International Accounting Standard NZ IAS 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements have been prepared under the assumption that the Group operates on a going concern basis and are presented in New Zealand dollars with all values rounded to the nearest thousand dollars (\$'000), except where otherwise indicated.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 March 2024.

(a) Basis of Preparation

The interim 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 interim consolidated financial statements have been prepared on a historical cost basis, except for investment properties which have been measured at fair value.

Changes in accounting policies

The accounting policies adopted are consistent with those of the most recent annual consolidated financial statements for the year ended 31 March 2024, except where 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. Certain comparative information has been reclassified to conform with the current reporting period's presentation. There are no new standards adopted in the current period.

(b) Basis of Consolidation

The interim condensed consolidated financial statements incorporate the assets, liabilities, equity, income, expenses and cash flows of the entities controlled by the Company at the end of the reporting period. 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 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 interim condensed 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 subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the interim condensed 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 as at each reporting date:

	Percentage Held	
	30 September 2024	30 September 2023
Asset Plus Investments Limited	100%	100%

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

(c) 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 interim 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.

3. Material 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.

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 9)
- Classification of Property Held for Sale (Note 10)
- Deferred Taxation (Note 6)

Going Concern

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

At 30 September 2024, the current liabilities of the Group exceeded its current assets by \$40,049,000 (31 March 2024: Net current liabilities \$39,585,000) because the loan is a current liability as the debt facilities will expire on 31 March 2025.

The Board has considered all information available at the date of signing the interim condensed consolidated financial statements 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;
- 35 Graham Street, Auckland settles on 29 November 2024 at which point the debt will be fully repaid from the proceeds of the sale;
- 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 future leasing, expected future expenses and provisions to fund any anticipated cash requirements in the current environment.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

4. Net Rental Revenue

	Unaudited 6 months 30 Sep 2024 \$'000	Unaudited 6 months 30 Sep 2023 \$'000
Rental revenue comprises amounts received and receivable by the Group for:		
Rental charged to tenants in the ordinary course of business	2,431	2,061
Operating cost recoveries from tenants and customers	400	445
Amortisation of capitalised lease cost adjustments	(28)	(21)
Straight-line rental revenue*	432	123
Gross rental revenue	3,235	2,608
Property operating costs**	(1,007)	(920)
Net Rental Revenue	2,228	1,688

* Rental income is recognised on a straight-line basis over the initial lease term.

** Property operating costs represent property maintenance and operating expenses

5. Administration Expenses and Net Finance Costs

	Unaudited 6 months 30 Sep 2024 \$'000	Unaudited 6 months 30 Sep 2023 \$'000
Management Fees	(457)	(536)
Directors' Fees	(150)	(150)
Auditor's Remuneration (Other Services)	(11)	(34)
Professional Fees	(53)	(51)
Other Administration Costs	(151)	(121)
Total Administration Expenses	(822)	(892)
Net Finance Costs		
Interest and Finance Charges	(1,555)	(1,205)
Interest Revenue	205	278
Total Net Finance Costs	(1,350)	(927)

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

6. Income Tax

Major components of income tax expense are:

	Unaudited 6 months 30 Sep 2024 \$'000	Unaudited 6 months 30 Sep 2023 \$'000
Statement of Profit and Loss		
Current Tax		
Continuing Operations - Current Income Tax Charge	-	-
Current Tax	-	-
Net Deferred Income Tax		
Investment Property Building Depreciation	-	89
Other	-	13
Adjustment to deferred tax asset (accumulated losses)	-	(102)
Net Deferred Income Tax	-	-
Income Tax Reported in the Interim Condensed Consolidated Statement of Comprehensive Income	-	-

Deferred Income Tax

Net deferred income tax liability relates to the following:

	Unaudited As at 30 Sep 2024 \$'000	Audited As at 31 Mar 2024 \$'000
<i>Deferred Income Tax Assets</i>		
Accumulated Tax Losses	874	874
Gross deferred income tax assets	874	874
<i>Deferred income tax liabilities</i>		
Recoverable Depreciation On Investment Properties	(874)	(874)
Other	-	-
Gross deferred income tax liabilities	(874)	(874)
Deferred Taxation	-	-

For the half year ended 30 September 2024 Asset Plus Limited is in a tax loss position. It is not considered probable that Asset Plus Limited will utilise these tax losses in the near-term. As such, a deferred tax asset has only been recognised to the extent of the deferred tax liability balance as at 30 September 2024, resulting in a net nil deferred tax balance sheet position, in accordance with NZ IAS 12. As at 31 March 2024 the company was also in a tax loss position and accordingly the deferred tax asset is only recognised to the extent the losses will be utilised.

7. 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 Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

8. Other Financial Assets

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.

	Unaudited As at 30 Sep 2024 \$'000	Audited As at 31 Mar 2024 \$'000
Restricted Cash - Term Deposit Lockbox	4,000	4,000
Funds Held In Retention	170	1,320
Total Other Financial Assets	4,170	5,320

A 'lockbox' amount of \$4.0 million is in place as restricted cash to cover the forecast EBITDA shortfall up to a 1.25 times interest cover ratio. Funds held in retention were released during the period as the Munroe Lane development defects period ended.

9. Investment Property

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

As at 30 September 2024 (unaudited)	Opening fair value balance (including WIP) \$'000	Capex \$'000	Leasing costs amortisation \$'000	Gain/ (loss) on revaluation \$'000	Straight-line rent accrual \$'000	Fair value at balance date \$'000
Investment Property						
Munroe Lane	116,050	116	(28)	(370)	432	116,200
Total investment property	116,050	116	(28)	(370)	432	116,200

Munroe Lane is measured at fair value as at 30 September 2024. The directors have determined that the external independent valuation obtained as at 31 March 2024 of \$116.2 million remains appropriate as at 30 September 2024 in light of limited transaction activity in the market and that there is no material change to the property fair value. The fair value was also adjusted to reflect the straight-line rent accrual and leasing costs amortisation as set out in the table above.

As at 31 March 2024 (audited)	Opening fair value balance (including WIP) \$'000	Capex \$'000	Leasing costs amortisation \$'000	Gain/ (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

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

The valuation of Munroe Lane as at 31 March 2024 was 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.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

10. Properties Held for Sale

The table below outlines the movements in the carrying values for the property held for sale during the period:

As at 30 September 2024 (unaudited)

Property	Opening Balance \$'000	Gain on revaluation \$'000	Disposal \$'000	Closing balance \$'000
35 Graham Street	64,743	2,638	-	67,381
Total	64,743	2,638	-	67,381

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 30 September 2024 (31 March 2024: 9.0%) which reflects the assumed weighted average cost of capital. The increase in the fair value is due to the impact of the discount unwind over the period.

As at 31 March 2024 (audited)

Property	Opening balance \$'000	Gain/ (loss) 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

11. Borrowings

Facility	Bank	Loan maturity	Unaudited As at 30 Sep 2024 \$'000	Audited As at 31 Mar 2024 \$'000
Working Capital Facility	BNZ	31/3/2025	8,750	8,750
Investment Facility	BNZ	31/3/2025	24,224	24,224
Total			32,974	32,974

Financing facilities available

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

	Unaudited As at 30 Sep 2024 \$'000	Audited As at 31 Mar 2024 \$'000
Facility used at reporting date - secured bank loan (BNZ)	32,974	32,974
Facility unused at reporting date - secured bank loan (BNZ)	11,926	11,926
Total	44,900	44,900

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 loan facilities mature on 31 March 2025 and are classified as a current liability.

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

12. Equity

Issued capital and reserves

	Unaudited As at 30 Sep 2024 '000	Audited As at 31 Mar 2024 '000
<i>Ordinary shares</i>		
Number of issued and fully paid shares	362,718	362,718

Ordinary shares are fully paid and ordinary shares carry one vote per share, and share equally in dividends and any surplus on winding up.

13. Earnings Per Share

	Unaudited 6 months 30 Sep 2024 \$'000	Unaudited 6 months 30 Sep 2023 \$'000
Total Comprehensive Income/(Loss) for the Period	2,324	(4,719)
Weighted Average Number of Ordinary Shares	362,718	362,718
Earnings Per Share (Cents) - Basic and Fully Diluted	0.64	(1.30)

14. Related Parties

Centuria Funds Management (NZ) Limited (formerly Augusta Funds Management Limited) owns the management contract rights of the Group. The ultimate parent of Centuria Funds Management (NZ) Limited, Centuria Platform Investments Pty Limited, owns 19.99% of Asset Plus Limited (2023: 19.99%). Transactions with Centuria Funds Management (NZ) Limited are deemed to be related parties because the Company is managed by Centuria Funds Management (NZ) Limited under the terms of the signed management contract.

Fees charged and owing to the manager (values in \$'000)	Unaudited 6 months 30 Sep 2024 Fees charged	Unaudited As at 30 Sep 2024 Fees owed	Unaudited 6 months 30 Sep 2023 Fees charged	Unaudited As at 30 Sep 2023 Fees owed
Management Fees	457	231	476	232
Performance Fees	-	-	60	60
Property Management Fees	43	20	37	22
Development Management Fees	-	-	78	51
Total	500	251	651	365

Notes to the Interim Condensed Consolidated Financial Statements

For the six months ended 30 September 2024

15. Commitments and Contingencies

Capital commitments

At the reporting date the Group had no capital commitments (31 March 2024: \$nil).

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 2024: \$75,000).

Contingent liabilities

At the reporting date the Group had no material contingent liabilities (March 2024: nil).

16. Subsequent Events

On 15 November 2024 the Board resolved that, subject to settlement of the sale of 35 Graham Street successfully settling on 29 November 2024, the Board intends to declare a special distribution of 5 cents per share from the net proceeds of that sale. The Board intends to declare the dividend on 2 December 2024 with payment to be made on 18 December 2024.

Directory

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ASSET PLUS +
— MANAGED BY Centuria